



WEEKLY PERFORMANCE SUMMARY

APRIL 18, 1994  
*Marketing Information & Analysis*

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## **WEEKLY UPDATE IMPLICATIONS**

### **APRIL 18, 1994**

#### **Shipments**

- Industry weekly volume (10.2 billion units) remained above forecast and consistent with the prior week. Volume above forecast was almost entirely PM-USA.
- PM-USA weekly shipments (4.7 billion) remained strong.
  - Volume was +3.9 billion units above QTD projection.
  - Weekly volume should remain above the 4 billion unit going rate for the next few weeks as higher than normal McLane purchases continue and Marlboro 5 for 4 country store promotional shipments begin.
- PM weekly allocations were modified to 115% for Marlboro and Basic, 110% for all other brands (except FVB).

#### **Retail**

- PM & Marlboro shares have stabilized near record levels.
- Recent PL gains have not expanded the Discount category.

#### **Pricing**

- A stable pricing environment exists in C-stores and supermarkets.
- < 99¢ pricing remains flat (15-16%), but two percent above early 1994 levels.
- RJR continues to represent a majority of <99¢ pricing.

#### **Consumer**

- Marlboro Smoker and Volumetric shares remain consistent with a stable retail performance.

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**SHIPMENTS**

**2023556234**

**PM-USA**  
**SECOND QUARTER PERFORMANCE**  
**W/E 4/15/94**

## **Shipments**

- All shipment performance benchmarks continue to be favorable.
- PM's weekly volume of 4.7 billion units was above last year (+88%), stronger than projection (+59%) and comparable to the prior week (+3%). Adjusted for McLane excess, PM volume would be approximately 4.0 billion units.
- PM-USA brand allocations were changed effective with Monday, April 18 shipments.
  - Total allocation is 4.5 billion units per week.
  - Marlboro and Basic will be at 115%; all other brands at 110% (except FVB).
- PM-USA is 3.9 billion units above second quarter-to-date projection.
  - Absence of 1Q 94 trade program resulted in no payback (+2.3 billion).
  - Above average shipments to McLane and CoreMark (+1.3 billion).
  - Stronger going rate (+0.3 billion).
- Industry volume for the week remained above norm at 10.2 billion units. American and Liggett were both above forecast (>10%).
- On a 13wm basis, PM-USA's share of 43.9% remained above second quarter target.

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**BENCHMARKS - TOTAL US  
SHIPMENTS 13 WEEK MOVING**

	<u>Benchmarks</u>	<u>13 Weeks Ending 15-Apr</u>	<u>Current vs. Benchmark</u>
Philip Morris	42.0	43.9	1.9 Favorable
Marlboro	24.9	26.6	1.7 Favorable
OPB	7.8	8.3	0.5 Favorable
Virginia Slims	2.2	2.4	0.2 Favorable
Benson & Hedges	2.5	2.6	0.1 Favorable
Merit	2.3	2.4	0.1 Favorable
Parliament	0.6	0.6	0.0 Favorable
Basic-Share of Discount	14.2	14.4	0.2 Favorable
Private Label-Share of Market	8.5	7.0*	1.5 Favorable
C-Store Pack Price Lowest			
Discount**	\$1.34	\$1.33	(\$0.01) Unfavorable

\*Reflects most current data for three months ending February 1994.

\*\*Reflects a change in pricing data source from Market Decisions to Nielsen.

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Ship (13wm) trigger hh

**SHIPMENTS**  
**(To All Direct Accounts)**

<b>COMPANY</b>	<b>PM</b>	<b>B&amp;R</b>	<b>B&amp;W</b>	<b>American</b>	<b>Lorillard</b>	<b>Liggett</b>
13 wk Base Jan. 14,1994	44.26	27.31	11.49	6.87	7.46	2.58
April 15, 1994 (13wm)	<u>43.88</u>	<u>27.96</u>	<u>11.16</u>	<u>7.15</u>	<u>7.44</u>	<u>2.39</u>
	(0.38)	0.65	(0.33)	0.28	(0.02)	(0.19)
<b>CATEGORY</b>	<b>Premium</b>	<b>Discount</b>				
13 wk Base Jan. 14,1994	66.32	33.68				
April 15, 1994 (13wm)	<u>66.54</u>	<u>33.46</u>				
	0.21	(0.21)				
<b>PM MAJOR BRANDS</b>	<b>Marlboro</b>	<b>PM OPB</b>	<b>V. Slims</b>	<b>B &amp; H</b>	<b>Merit</b>	<b>Parliament</b>
13 wk Base Jan. 14,1994	26.45	8.24	2.36	2.56	2.44	0.66
April 15, 1994 (13wm)	<u>26.57</u>	<u>8.28</u>	<u>2.41</u>	<u>2.62</u>	<u>2.39</u>	<u>0.64</u>
	0.12	0.04	0.05	0.06	(0.05)	(0.02)
<b>PM BRANDED DISCOUNTS</b>	<b>Basic</b>	<b>Cambridge</b>	<b>Bristol</b>	<b>Alpine</b>		
13 wk Base Jan. 14,1994	5.05	1.77	0.21	0.39		
April 15, 1994 (13wm)	<u>4.83</u>	<u>1.79</u>	<u>0.20</u>	<u>0.35</u>		
	(0.22)	0.02	(0.01)	(0.04)		
<b>PM PRIVATE LABEL</b>	<b>PM</b>					
13 wk Base Jan. 14,1994	2.07					
April 15, 1994 (13wm)	<u>1.79</u>					
	(0.28)					

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**PRELIMINARY WEEKLY VOLUME AND SHARE**  
**W/E 4/15/94**

**WEEK**

INDUSTRY	VOLUME			DIFF % CHANGE		SHARE			VOLUME		
	VOLUME	VS 1993	%	VS 1993	SHARE	VS 1993	FCST	FCST	%	VS FCST	
PHILIP MORRIS	4,670	2,186	88.0%	45.83	5.54	2,935	1,735	59.1%			
R.J. REYNOLDS	2,828	1,045	58.6%	27.75	-1.15	2,803	25	0.9%			
B&W	1,070	282	35.8%	10.50	-2.28	1,082	-12	-1.1%			
LORILLARD	707	104	17.3%	6.94	-2.84	690	17	2.5%			
AMERICAN	684	315	85.5%	6.71	0.73	618	66	10.6%			
LIGGETT	230	91	65.6%	2.25	0.01	191	39	20.2%			

INDUSTRY	DISCOUNT			PREMIUM		
	VOLUME	SHARE	%CONT.	VOLUME	SHARE	%CONT.
	3,344	32.81		6,848	67.19	
PHILIP MORRIS	901	26.95	19.3%	3,769	55.05	80.7%
R.J. REYNOLDS	1,194	35.72	42.2%	1,634	23.86	57.8%
B&W	647	19.36	60.5%	423	6.18	39.5%
LORILLARD	30	0.91	4.3%	677	9.88	95.7%
AMERICAN	385	11.51	56.3%	299	4.36	43.7%
LIGGETT	185	5.55	80.7%	44	0.65	19.3%

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**PRELIMINARY VOLUME AND SHARE**

W/E 4/15/94

**TOTAL INDUSTRY YEAR TO DATE**

INDUSTRY	TOTAL INDUSTRY YEAR TO DATE				VOLUME			
	VOLUME	DIFF VS 1993	% CHANGE VS 1993	SHARE	DIFF VS 1993	FCST	DIFF VS FCST	% CHANGE VS FCST
PHILIP MORRIS	59,543	10,159	20.6%	43.60	2.53	53,309	6,234	11.7%
R.J. REYNOLDS	38,561	-1,186	-3.0%	28.23	-4.82	39,884	-323	-0.8%
B&W	15,392	3,974	34.8%	11.27	1.78	15,132	260	1.7%
LORILLARD	10,115	1,869	22.7%	7.41	0.55	9,821	294	3.0%
AMERICAN	9,768	1,311	15.5%	7.15	0.12	8,639	1,129	13.1%
LIGGETT	3,172	192	6.4%	2.32	-0.16	2,703	469	17.4%

**DISCOUNT YEAR TO DATE**

INDUSTRY	DISCOUNT YEAR TO DATE				DIFF	
	VOLUME	1993	% CHANGE VS 1993	SHARE	1993	VS
PHILIP MORRIS	12,299	-2,443	-16.6%	26.90	-3.56	
R.J. REYNOLDS	16,043	-3,056	-16.0%	35.08	-4.38	
B&W	9,177	1,377	17.7%	20.07	3.95	
LORILLARD	433	-34	-7.3%	0.95	-0.02	
AMERICAN	5,345	1,087	25.5%	11.69	2.89	
LIGGETT	2,430	398	19.6%	5.31	1.11	

**PREMIUM YEAR TO DATE**

INDUSTRY	PREMIUM YEAR TO DATE				DIFF	
	VOLUME	1993	% CHANGE VS 1993	SHARE	1993	VS
PHILIP MORRIS	47,244	12,602	36.4%	52.00	3.79	
R.J. REYNOLDS	22,618	1,869	9.1%	24.79	-3.95	
B&W	6,216	2,597	71.7%	6.84	1.81	
LORILLARD	9,683	1,903	24.5%	10.66	-0.17	
AMERICAN	4,423	224	5.3%	4.87	-0.97	
LIGGETT	742	-206	-21.7%	0.82	-0.50	

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**13WM AVERAGE BY COMPETITOR**  
**W/E 4/15/94**

INDUSTRY	<u>VOLUME</u>	DIFF % CHANGE			<u>SHARE</u>	DIFF VS PRIOR <u>13 WKS</u>
		VS PRIOR	VS PRIOR			
		<u>13 WKS</u>	<u>13 WKS</u>	1.2%		
PHILIP MORRIS	4,084	15	0.4%	43.88	-0.38	
R.J. REYNOLDS	2,602	91	3.6%	27.96	0.65	
B&W	1,039	-18	-1.7%	11.16	-0.33	
LORILLARD	693	7	1.0%	7.44	-0.02	
AMERICAN	665	34	5.3%	7.15	0.28	
LIGGETT	222	-15	-6.5%	2.39	-0.19	

**DISCOUNT**

INDUSTRY	<u>VOLUME</u>	DIFF % CHANGE			<u>SHARE</u>	DIFF VS PRIOR <u>13 WKS</u>
		VS PRIOR	VS PRIOR			
		<u>13 WKS</u>	<u>13 WKS</u>	0.6%		
PHILIP MORRIS	841	-39	-4.4%	27.01	-1.42	
R.J. REYNOLDS	1,086	53	5.1%	34.87	1.50	
B&W	619	-19	-3.0%	19.88	-0.73	
LORILLARD	30	4	13.9%	0.95	0.11	
AMERICAN	366	32	9.6%	11.76	0.97	
LIGGETT	172	-12	-6.7%	5.52	-0.43	

**PREMIUM**

INDUSTRY	<u>VOLUME</u>	DIFF % CHANGE			<u>SHARE</u>	DIFF VS PRIOR <u>13 WKS</u>
		VS PRIOR	VS PRIOR			
		<u>13 WKS</u>	<u>13 WKS</u>	1.6%		
PHILIP MORRIS	3,243	54	1.7%	52.37	0.07	
R.J. REYNOLDS	1,516	39	2.6%	24.48	0.25	
B&W	419	1	0.2%	6.77	-0.09	
LORILLARD	663	3	0.5%	10.71	-0.12	
AMERICAN	299	1	0.5%	4.83	-0.05	
LIGGETT	50	-3	-5.5%	0.81	-0.06	

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PM-USA:  
 MARLBORO SHARE OF INDUSTRY  
 BASIC SHARE OF DISCOUNT

	1994 <u>BENCHMARK</u>	13WM <u>ACTUAL</u>	DIF.	BENCHMARK <u>GUIDELINE</u>
	42.00	43.88	1.88	FAVORABLE
	24.90	26.57	1.67	FAVORABLE
	14.20	14.43	0.23	FAVORABLE

**INDUSTRY VOLUME REMAINED VIRTUALLY THE SAME AS LAST WEEK. PM'S VOLUME INCREASE, PRIMARILY DUE TO HIGH MCLANE SHIPMENTS, WAS OFFSET BY B & W'S VOLUME DECLINE.**

**WEEKLY VOLUME  
4/15 VS 4/8**

INDUSTRY	4/15/94	4/8/94	4/1/94	DIFF VS. PREV. WEEK	% CHANGE
	10,191	10,171	8,213	20	0.2%
PM	4,670	4,538	3,487	132	2.9%
RJ REYNOLDS	2,828	2,844	2,099	(16)	-0.6%
B & W	1,070	1,193	998	(123)	-10.3%
LORILLARD	707	687	667	20	2.9%
AMERICAN	684	723	643	(39)	-5.4%
LIGGETT	230	184	316	46	25.0%

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MFR CHANGES 4/8 VS 4/15

# Philip Morris USA

**PM SHIPMENTS TO MCLANE EXCEEDED NORM FOR THE SECOND CONSECUTIVE WEEK. MCLANE'S SALES TO RETAIL REMAIN ABOVE 500 MILLION PER WEEK FOR THE LAST FOUR WEEKS.**

**TOTAL PM VOLUME MCLANE**  
(millions of cigarettes)

<u>Week ending</u>	PM shipped to <u>McLane</u>	McLane shipped to <u>Retailers</u>	Difference	Cume From 1/7/94
1/21	135.4	426.8	-291.4	
1/28	378.6	415.1	-36.5	
2/4	1,945.0	431.9	1,513.1	
2/11	773.1	443.2	329.9	
2/18	540.1	445.8	94.3	
2/25	522.9	461.5	61.4	
3/4	209.5	475.5	-266.0	
3/11	108.6	482.5	-373.9	
3/18	391.8	533.6	-141.8	
3/25	241.2	516.3	-275.1	
4/1	155.3	558.9	-403.6	
4/8	962.8	533.0	429.8	436.9
4/15	1,090.6	N/A	N/A	

All volumes exclude ten Sam's Clubs in Michigan purchasing directly from PM.

\* Includes approximately 400 million units from previous week's allocation.

## PM-USA WEEKLY PERFORMANCE

	<u>1/28</u>	<u>2/4</u>	<u>2/11</u>	<u>2/18</u>	<u>2/25</u>	<u>3/4</u>	<u>3/11</u>	<u>3/18</u>	<u>3/25</u>	<u>4/1</u>	<u>4/8</u>	<u>4/15</u>	<u>2Q TARGET</u>	<u>2Q OB WEEKLY</u>	<u>UPDATED WEEKLY</u>	<u>2Q TARGET</u>
MARLBORO	2,358	3,470	2,597	2,498	2,332	2,289	2,236	2,427	2,196	2,102	2,787	2,917	2,359	226	239	2,517
B&H	216	347	271	310	243	239	237	226	197	179	264	259				
MERIT	226	323	230	234	205	201	198	212	192	181	247	253		215	219	
V.SLIMS	219	321	236	232	214	213	203	216	191	183	251	256		211	220	
PARLIAMENT	56	74	61	66	54	63	62	58	56	52	63	64		63	60	
OTHER PREMIUM	18	25	20	20	19	19	18	19	16	16	21	19		20	19	
CANADIAN	0	3	1	1	0	0	0	0	0	0	0	0		3	0	
<b>TOTAL PREMIUM</b>	<b>3,093</b>	<b>4,562</b>	<b>3,416</b>	<b>3,361</b>	<b>3,067</b>	<b>3,024</b>	<b>2,954</b>	<b>3,158</b>	<b>2,848</b>	<b>2,713</b>	<b>3,634</b>	<b>3,769</b>	<b>3,097</b>	<b>3,274</b>		
CAMBRIDGE	142	174	169	159	188	179	219	170	153	133	175	173		170	162	
ALPINE	29	34	36	33	32	33	38	34	29	29	37	37		40	35	
BUCKS	3	3	4	3	3	3	3	3	3	3	3	4		3	3	
FVB	145	190	171	175	164	161	152	174	155	155	193	191		175	167	
BASIC	460	501	461	450	414	416	413	423	541	435	472	471		475	447	
BRISTOL	18	21	21	20	20	20	19	22	16	15	19	22		20	15	
PLAYERS 25	4	4	4	4	4	4	4	3	4	4	4	4		3	3	
<b>TOTAL DISCOUNT</b>	<b>800</b>	<b>927</b>	<b>866</b>	<b>844</b>	<b>825</b>	<b>816</b>	<b>847</b>	<b>829</b>	<b>900</b>	<b>774</b>	<b>904</b>	<b>901</b>	<b>886</b>	<b>832</b>		
<b>TOTAL PM-USA</b>	<b>3,893</b>	<b>5,489</b>	<b>4,282</b>	<b>4,205</b>	<b>3,892</b>	<b>3,840</b>	<b>3,801</b>	<b>3,988</b>	<b>3,749</b>	<b>3,487</b>	<b>4,538</b>	<b>4,670</b>	<b>3,983</b>	<b>4,106</b>		

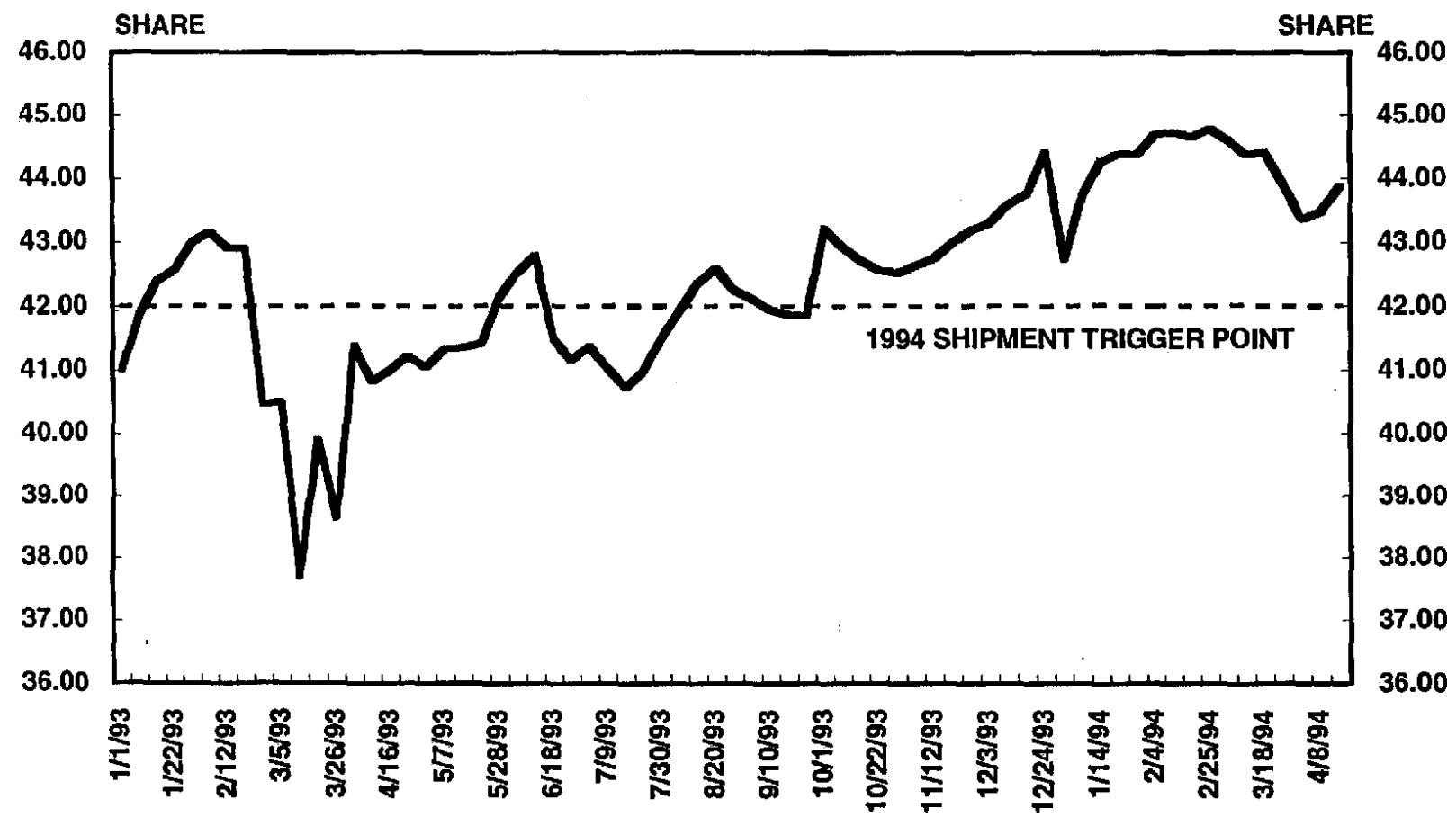
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## PM-USA WEEKLY PERFORMANCE

	1/28	2/4	2/11	2/18	2/25	3/4	3/11	3/18	3/25	4/1	4/8	4/15	2Q TARGET	2Q OB UPDATED	WEEKLY WEEKLY TARGET
MARLBORO	26.07	30.88	27.27	26.08	26.07	24.77	24.31	26.52	25.93	25.59	27.40	28.62	25.19	26.84	
B&H	2.39	3.09	2.84	3.24	2.72	2.58	2.58	2.46	2.32	2.18	2.60	2.54	2.42	2.56	
MERIT	2.50	2.87	2.41	2.44	2.29	2.17	2.15	2.31	2.27	2.21	2.43	2.48	2.30	2.34	
V.SLIMS	2.42	2.86	2.48	2.42	2.40	2.30	2.21	2.36	2.26	2.22	2.47	2.51	2.25	2.35	
PARLIAMENT	0.62	0.65	0.64	0.69	0.60	0.68	0.67	0.64	0.66	0.64	0.62	0.63	0.67	0.64	
OTHER PREMIUM	0.20	0.23	0.21	0.21	0.21	0.20	0.20	0.21	0.20	0.20	0.21	0.21	0.21	0.20	
CANADIAN	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	
<b>TOTAL PREMIUM</b>	<b>34.20</b>	<b>40.60</b>	<b>35.86</b>	<b>35.09</b>	<b>34.29</b>	<b>32.70</b>	<b>32.12</b>	<b>34.50</b>	<b>33.64</b>	<b>33.04</b>	<b>35.73</b>	<b>36.99</b>	<b>33.07</b>	<b>34.93</b>	
CAMBRIDGE	1.57	1.54	1.76	1.65	2.09	1.93	2.37	1.84	1.80	1.61	1.71	1.69	1.82	1.73	
ALPINE	0.32	0.30	0.38	0.35	0.35	0.36	0.41	0.37	0.34	0.36	0.37	0.37	0.43	0.37	
BUCKS	0.03	0.03	0.04	0.04	0.04	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	
FVB	1.61	1.70	1.80	1.83	1.84	1.75	1.66	1.91	1.83	1.89	1.89	1.87	1.87	1.78	
BASIC	5.08	4.47	4.85	4.69	4.63	4.51	4.49	4.62	6.39	5.30	4.64	4.62	5.07	4.77	
BRISTOL	0.19	0.18	0.23	0.20	0.22	0.21	0.20	0.24	0.19	0.18	0.19	0.21	0.21	0.16	
PLAYERS 25	0.04	0.04	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.06	0.05	0.05	0.03	0.03	
<b>TOTAL DISCOUNT</b>	<b>8.84</b>	<b>8.26</b>	<b>9.10</b>	<b>8.80</b>	<b>9.21</b>	<b>8.84</b>	<b>9.20</b>	<b>9.06</b>	<b>10.63</b>	<b>9.43</b>	<b>8.88</b>	<b>8.84</b>	<b>9.46</b>	<b>8.87</b>	
<b>TOTAL PM-USA</b>	<b>43.04</b>	<b>48.86</b>	<b>44.96</b>	<b>43.89</b>	<b>43.50</b>	<b>41.54</b>	<b>41.32</b>	<b>43.56</b>	<b>44.27</b>	<b>42.47</b>	<b>44.61</b>	<b>45.83</b>	<b>42.53</b>	<b>43.80</b>	

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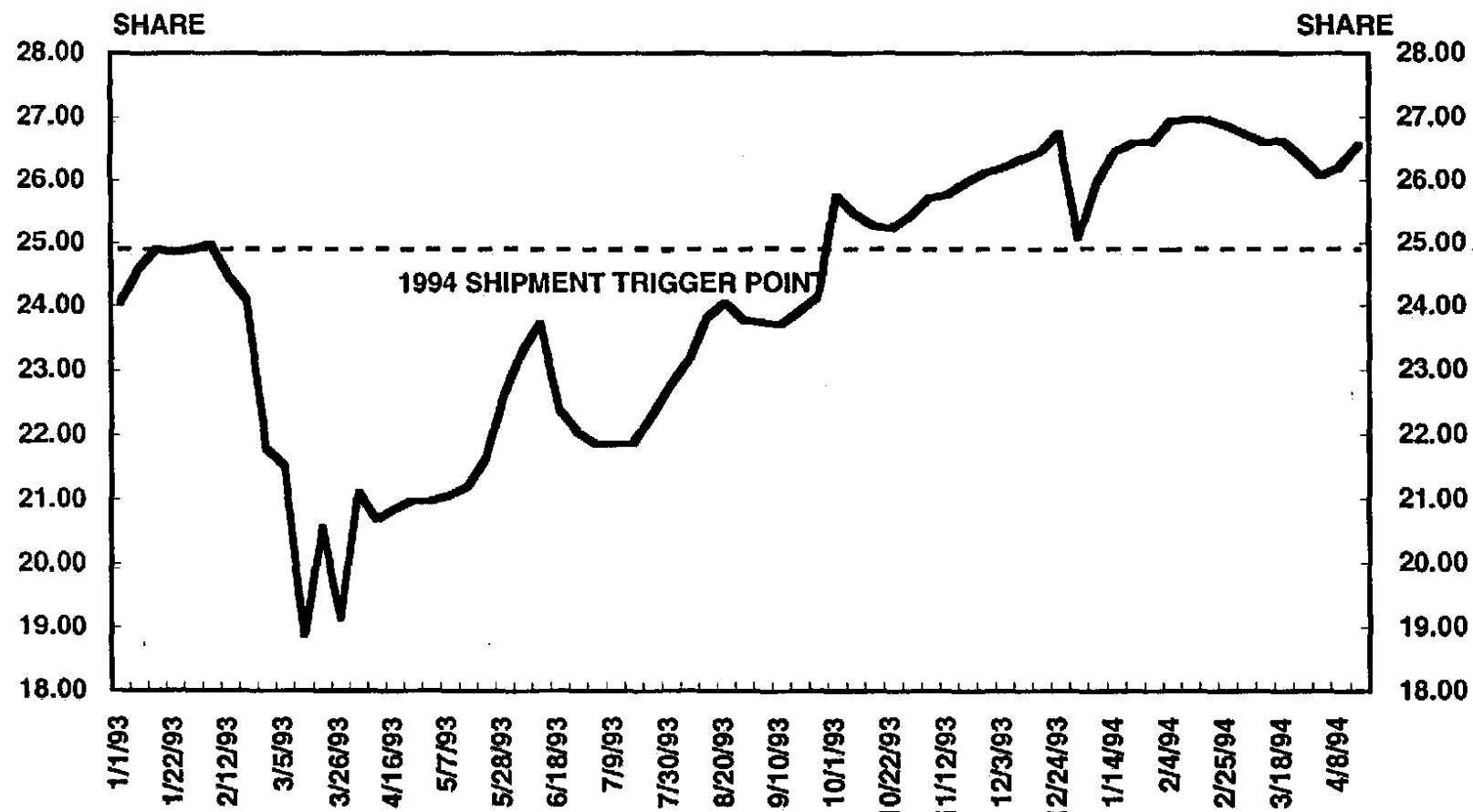
## PM SHARE OF MARKET 13 WEEK MOVING AVERAGE



SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 1

## MARLBORO SHARE OF MARKET 13 WEEK MOVING AVERAGE

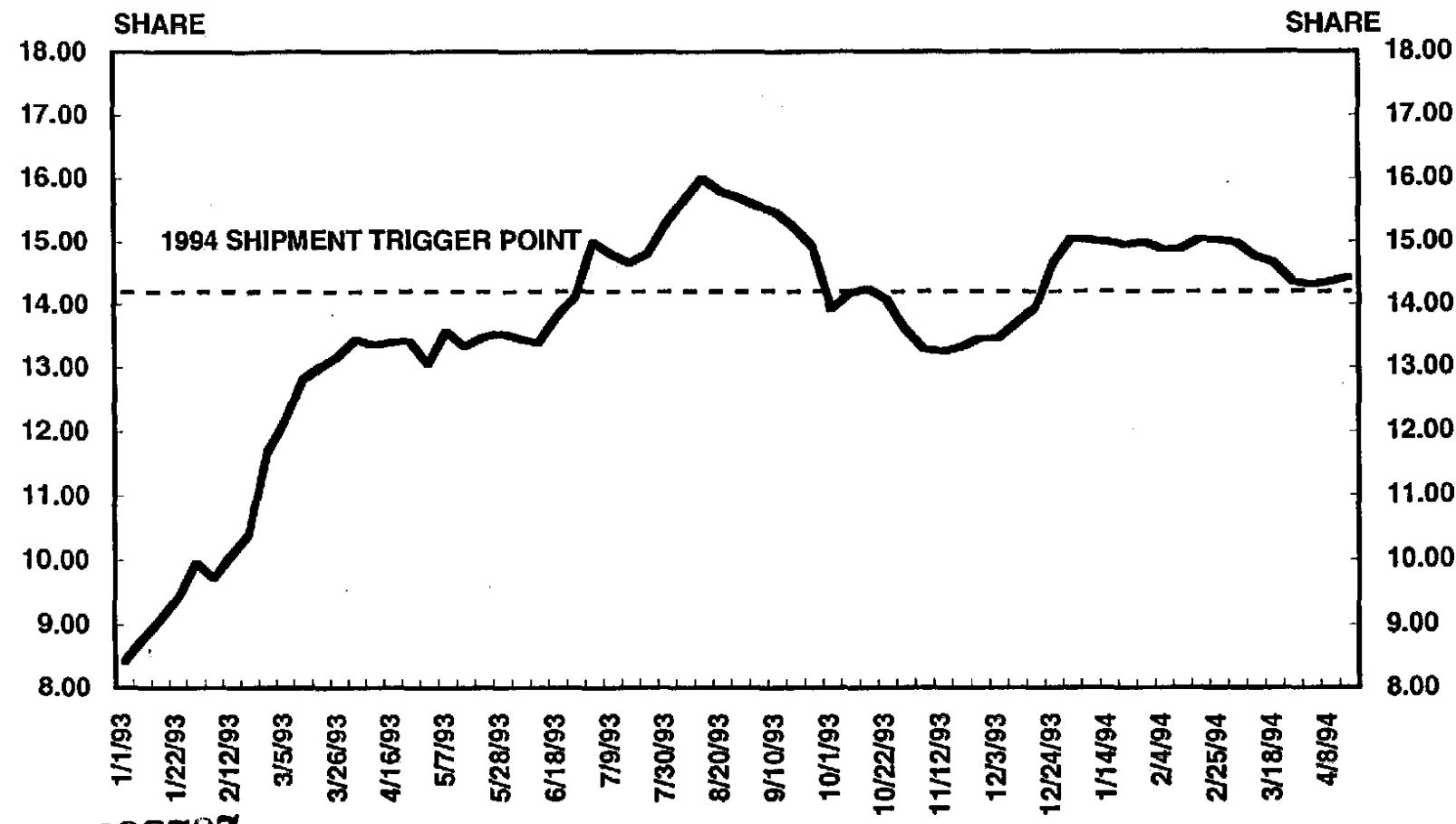


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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 2

## BASIC SHARE OF DISCOUNT 13 WEEK MOVING AVERAGE



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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 4

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PRICING

## PRICING

4/2

- Pack prices were stable in C-stores, but carton prices decreased week to week in Supermarkets.
  - Lowest Discount's pack price remained at \$1.33 while Marlboro's price remained at \$1.91 for the sixth consecutive week. The resulting price gap decreased -1¢ to 58¢ or 43.6%.
  - In Supermarkets, both Marlboro and Lowest Discount's carton prices decreased -2¢ and -7¢, respectively. The resulting price gap increased +5¢ to \$4.74 or 40.9%.
- ≤99¢ incidence has been stable at 15-16% of stores for 5 consecutive weeks, a +2 point increase from January. American, Liggett, and RJR each contributed to this YTD increase.
  - RJR continues to offer the majority of < 99¢ pricing.
  - Week to week, 99¢ incidence increased to 16%, offsetting the prior week's decrease. RJR P/L's, American P/L's and Cambridge contributed to the gain.
- Basic's price gap with the Lowest Discount brand remained relatively stable at 68% of stores, after increasing +9 points from mid-February through the end of March.

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## **Lowest Discount pack prices changed in twice as many stores as Marlboro.**

	% of C-stores		
	<u>Unchanged</u>	<u>Increased</u>	<u>Decreased</u>
<b>Marlboro</b>	91%	4%	5%
<b>Basic</b>	92%	5%	3%
<b>Doral</b>	84%	6%	10%
<b>GPC</b>	85%	10%	5%
<b>RJR P/L</b>	87%	7%	6%
<b>Lowest Discount</b>	83%	8%	9%
<b>Marlboro Gap *</b>	78%	11%	11%
<b>Basic Gap **</b>	84%	8%	8%

\* Marlboro vs. Lowest Discount brand in same store.

\*\* Basic vs. Lowest Discount brand in same store.

SOURCE: NIELSEN PRICING AUDIT

2023656250

**Pack pricing remained stable in C-stores while  
carton pricing decreased in Supermarkets.**

**C-STORE  
PACKS**

	<u>3/19</u>	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>Change</u> <u>Prior Week</u>
Marlboro (net)	\$1.91	\$1.91	\$1.91	\$1.91	\$0.00
Lowest Discount	1.33	1.32	1.33	1.33	\$0.00
\$ Gap	0.58	0.59	0.58	0.58	\$0.00
% Gap	43.6%	44.7%	43.6%	43.6%	0.0%

**SUPERMARKET  
CARTONS**

Marlboro (net)	\$16.43	\$16.40	\$16.35	\$16.33	(\$0.02)
Lowest Discount	11.63	11.70	11.66	11.59	(\$0.07)
\$ Gap	4.80	4.70	4.69	4.74	\$0.05
% Gap	41.3%	40.2%	40.2%	40.9%	0.0%

SOURCE: NIELSEN PRICING AUDIT

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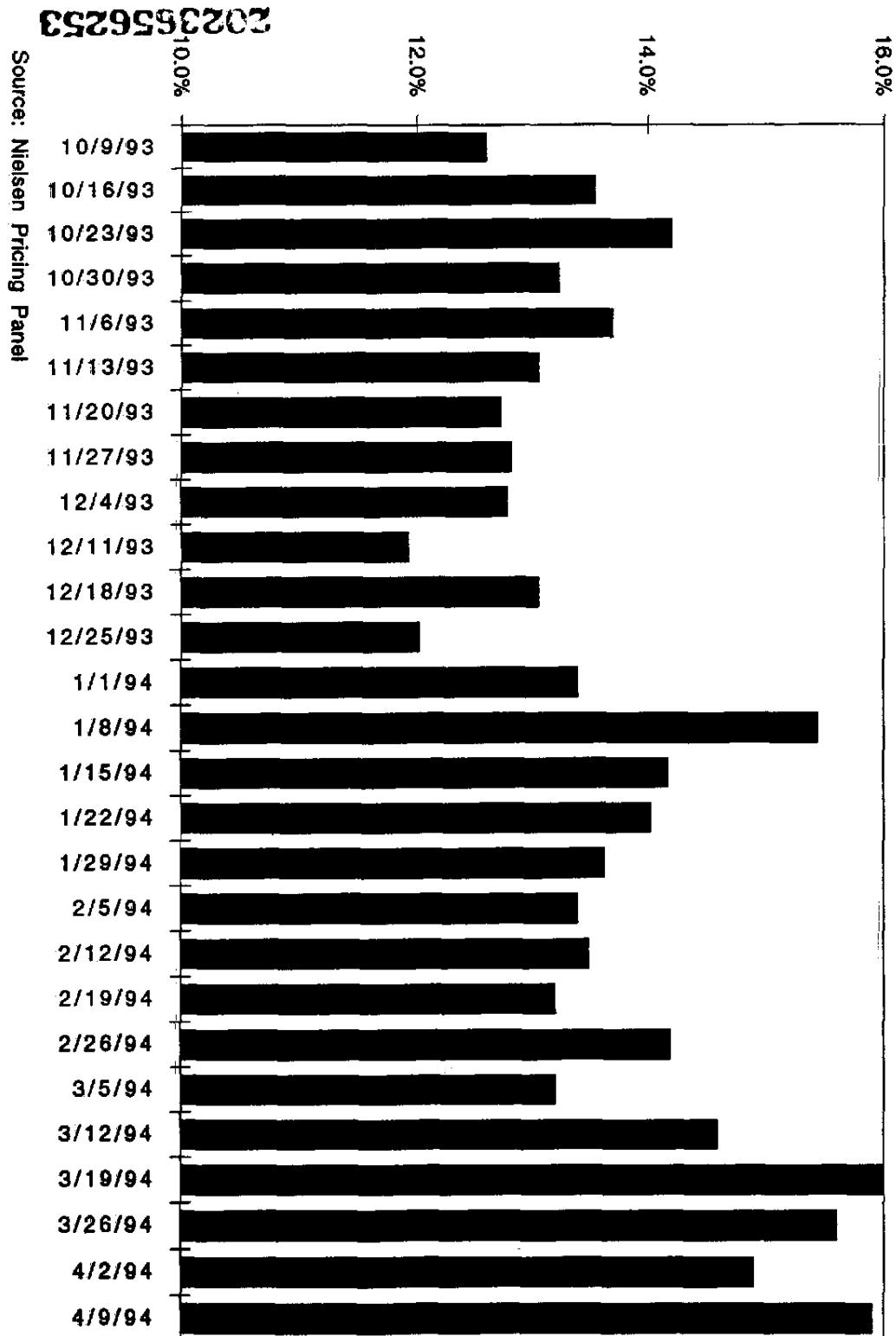
**Marlboro's net pack price gap with Lowest Discount decreased in regions 2 and 3.**

	4/9				Change From <u>4/2</u>
	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	
NATIONAL	1.91	1.33	\$0.58	43.6%	\$0.00
R1	2.09	1.53	\$0.56	36.6%	\$0.01
R2	1.77	1.21	\$0.56	46.3%	(\$0.02)
R3	1.91	1.33	\$0.58	43.6%	(\$0.01)
R4	1.79	1.25	\$0.54	43.2%	\$0.01
R5	2.07	1.38	\$0.69	50.0%	\$0.01

SOURCE: NIELSEN PRICING AUDIT

2023556252

$\leq 99\text{¢}$  incidence has remained at 15-16% of stores for 5 consecutive weeks, a 2 pt. increase since January.



**The 16% national 99¢ incidence does not skew by store ownership or cartons sold per week.**

	4/9	Change	Change	Weighted Avg. <u>State Tax</u>
		vs. 1 WAGO	vs. 4 WAGO	
NATIONAL	15.9%	1.0	1.3	\$0.29
R1	2.9%	2.9	2.9	\$0.43
R2	24.7%	-0.5	0.3	\$0.18
R3	15.6%	-0.2	1.1	\$0.31
R4	23.5%	0.5	4.9	\$0.26
R5	7.6%	4.5	-3.0	\$0.33

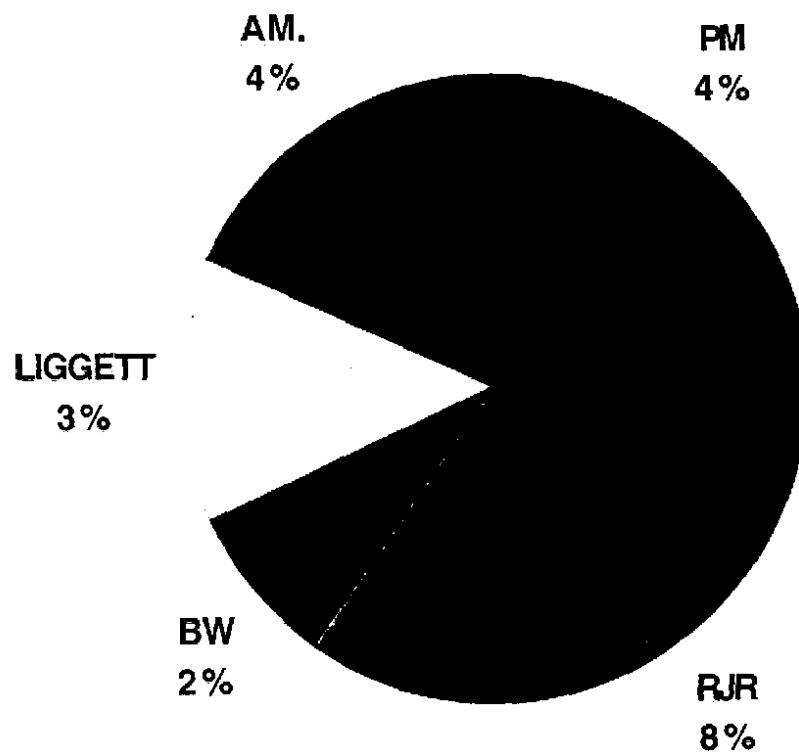
**Metropolitan areas possess far lower 99¢ pricing incidence than their suburban or rural counterparts. Very little ≤99¢ pricing is evident in America's largest cities.**

COUNTY TYPE	4/9	Change	Change	
		vs. 1 WAGO	vs. 4 WAGO	
A	8.1%	-0.4	-3.2	
B	20.5%	2.9	3.6	
C	18.2%	-1.5	7.1	
D	20.0%	2.5	-0.5	

SOURCE: NIELSEN PRICING AUDIT

2023656254

## Majority Of All < \$0.99 Pricing Is Offered By RJR



Source: Nielsen Pricing Audit

Percentages sum to more than 16% since each store can have more than one mfgr. at or below \$0.99.

2023556255

**Across all common C-stores, Basic's NET average pack price gap decreased with GPC.**

	<u>3/19</u>	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<b>Change vs. <u>Prior Week</u></b>
<b>Basic</b>	\$1.53	\$1.54	\$1.53	\$1.53	\$0.00
<b>Same Store Gaps</b>					
GPC	0.12	0.12	0.13	0.12	-0.01
Monarch	0.06	0.06	0.06	0.06	0.00
Lowest Discount	0.21	0.22	0.21	0.21	0.00

SOURCE: NIELSEN PRICING AUDIT

2023656256

**The number of stores where Basic's pack price > Lowest Discount by more than 10¢ remained relatively stable after increasing +9 points from mid-Feb. to mid-March.**

**Basic vs. Lowest Discount in C-stores**

	<b>2/19</b>	<b>2/26</b>	<b>3/5</b>	<b>3/12</b>	<b>3/19</b>	<b>3/26</b>	<b>4/2</b>
<b># SAME STORES</b>	328	323	320	322	329	322	330
<b><u>BASIC &gt; LOWEST DISC. BY 10¢*</u></b>							
<b># STORES</b>	198	207	209	213	220	221	222
<b>% STORES</b>	60%	64%	65%	66%	67%	69%	67%
<b><u>PRICE DISADVANTAGE *</u></b>							
<b>AVG. \$</b>	\$0.30	\$0.31	\$0.29	\$0.30	\$0.29	\$0.30	\$0.30
<b>MAXIMUM</b>	\$0.70	\$0.86	\$0.60	\$0.86	\$0.86	\$0.82	\$0.86
<b>MINIMUM</b>	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.12

\* All comparisons are based on stores with both brands in distribution.

\*\* Price disadvantage ONLY in stores where Basic's price > Lowest Discount by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

2323656257

**The number of stores where Basic's pack price > GPC by more than 10¢ decreased -2 pts after increasing +10 points since 2/19.**

**Basic vs. GPC in C-stores**

	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>	<u>3/12</u>	<u>3/19</u>	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>
<b># SAME STORES</b>	206	212	205	205	218	209	220	225
<b><u>BASIC &gt; GPC by 10¢*</u></b>								
<b># STORES</b>	84	88	89	91	99	95	113	110
<b>% STORES</b>	41%	42%	43%	44%	45%	46%	51%	49%
<b><u>PRICE DISADVANTAGE *</u></b>								
<b>AVG. \$</b>	\$0.25	\$0.26	\$0.24	\$0.24	\$0.25	\$0.25	\$0.24	\$0.24
<b>MAXIMUM</b>	\$0.68	\$0.70	\$0.50	\$0.68	\$0.68	\$0.68	\$0.68	\$0.68
<b>MINIMUM</b>	\$0.11	\$0.11	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14

\* All comparisons are based on stores with both brands in distribution.

\*\* Price disadvantage ONLY in stores where Basic's price > GPC by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

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NIELSEN

**PM'S ALL OUTLET COMBINED PERFORMANCE**  
**WEEKLY INTEGRATED NIELSEN W/E 4/2/94**

- PM and Marlboro retail shares are holding near record levels in both pack and carton outlets.
  - PM's 45.7 share was stable on a week and four week basis.
  - Marlboro's -0.1 point decline for the week to 27.5 offset other Premium Brands' +0.1 point gain (9.2).
  - PM Discounts' share was stable (9.1). Cambridge's increase due to higher free product incidence was offset by Basic's decline.
  - Basic SOC remains unfavorable.
- RJR's weekly share advanced +0.1 points and fell -0.2 points on a four week basis to 29.4-29.5. Week-to-week:
  - Doral and Camel gains, driven by free product offers, offset Winston share losses.
- The Discount category's +0.2 week-to-week gain was within expected levels, reflecting the "first week of the month" effect.
  - Branded Discount accounted for the majority of the gain.

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**BENCHMARKS - TOTAL US**  
**WEEKLY INTEGRATED NIELSEN**

	<u>Target</u>	<u>Benchmarks*</u>	<u>4 w/e 2-Apr</u>	<u>Current vs. Benchmark</u>
Philip Morris	44.2	44.5 (lower limit)	45.7	1.2 Favorable
Marlboro	25.7	26.3 (lower limit)	27.5	1.2 Favorable
OPB	8.8	8.9 (lower limit)	9.1	0.2 Favorable
Virginia Slims	2.7	2.7 (lower limit)	2.9	0.2 Favorable
Benson & Hedges	2.5	2.5 (lower limit)	2.6	0.1 Favorable
Merit	2.8	2.8 (lower limit)	2.9	0.1 Favorable
Parliament	0.6	0.6 (lower limit)	0.6	0.0 Favorable
Basic Shr. of Disc. (SOC)	15.1	14.5 (lower limit)	14.2	0.3 Unfavorable
Discount Category	34.5	+2.0 Pts. (upper limit)**	32.5	2.0 Favorable
Private Label	8.5	9.0 (upper limit)	7.9	1.1 Favorable

\* Revised to reflect 1994 First Revised Forecast.

\*\* Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.5%.

2023556261

Nielsen INT weekly bench

**NIELSEN INTEGRATED DATA**  
**ALL OUTLETS COMBINED**

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&amp;W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>			
Base March 1993	41.51	33.90	10.70	5.92	5.73	2.10			
April 2, 1994 (4WM)	<u>45.71</u>	<u>29.42</u>	<u>10.03</u>	<u>6.31</u>	<u>6.38</u>	<u>1.99</u>			
	4.20	(4.48)	(0.67)	0.39	0.65	(0.11)			
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>					
Base March 1993	61.96	37.70	28.24	9.45					
April 2, 1994 (4WM)	<u>67.41</u>	<u>32.47</u>	<u>24.60</u>	<u>7.87</u>					
	5.45	(5.23)	(3.64)	(1.58)					
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>				
Base March 1993	22.04	9.06	5.61	0.43	3.82				
April 2, 1994 (4WM)	<u>27.46</u>	<u>9.12</u>	<u>5.95</u>	<u>0.91</u>	<u>4.26</u>				
	5.42	0.06	0.34	0.48	0.44				
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>				
Base March 1993	3.24	3.27	4.22	1.72	0.80				
April 2, 1994 (4WM)	<u>3.89</u>	<u>3.09</u>	<u>3.95</u>	<u>1.44</u>	<u>0.66</u>				
	0.65	(0.18)	(0.27)	(0.28)	(0.14)				
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
Base March 1993	3.92	2.25	0.52	4.27	0.88	0.93	2.81	3.47	4.48
April 2, 1994 (4WM)	<u>4.62</u>	<u>1.83</u>	<u>0.43</u>	<u>4.67</u>	<u>1.04</u>	<u>1.15</u>	<u>2.01</u>	<u>1.18</u>	<u>4.41</u>
	0.70	(0.42)	(0.09)	0.40	0.16	0.22	(0.80)	(2.29)	(0.07)
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>					
Base March 1993	2.92	5.09	1.02	0.43					
April 2, 1994 (4WM)	<u>1.85</u>	<u>4.09</u>	<u>1.09</u>	<u>0.83</u>					
	(1.07)	(1.00)	0.07	0.40					

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Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: Nielsen Integrated Panel.

**NIELSEN INTEGRATED DATA  
ALL OUTLETS COMBINED**

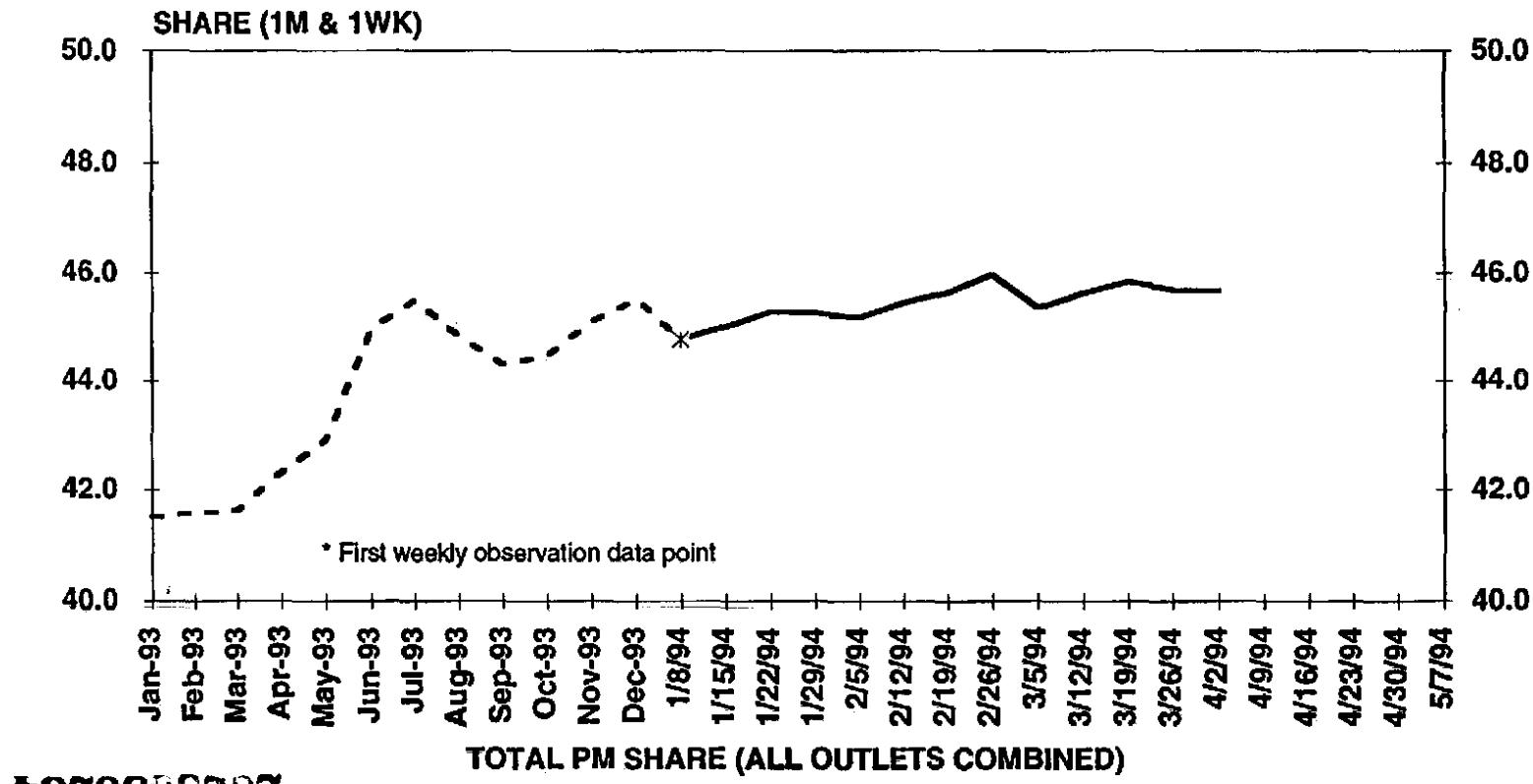
<b>COMPANY</b>	<b>PM</b>	<b>RJR</b>	<b>B&amp;W</b>	<b>American</b>	<b>Lorillard</b>	<b>Liggett</b>			
Base July 1993	45.42	32.15	9.81	5.50	5.38	1.62			
April 2, 1994 (4WM)	<u>45.71</u>	<u>29.42</u>	<u>10.03</u>	<u>6.31</u>	<u>6.38</u>	<u>1.99</u>			
	0.29	(2.73)	0.22	0.81	1.00	0.37			
<b>CATEGORY</b>	<b>Premium</b>	<b>Discount</b>	<b>Branded Discount</b>	<b>Private Label</b>					
Base July 1993	64.54	35.31	26.36	8.95					
April 2, 1994 (4WM)	<u>67.41</u>	<u>32.47</u>	<u>24.60</u>	<u>7.87</u>					
	2.87	(2.84)	(1.76)	(1.08)					
<b>MAJOR BRANDS</b>	<b>Marlboro</b>	<b>PM OPB</b>	<b>Winston</b>	<b>Select</b>	<b>Camel</b>				
Base July 1993	26.63	8.30	6.10	0.58	3.89				
April 2, 1994 (4WM)	<u>27.46</u>	<u>9.12</u>	<u>5.95</u>	<u>0.91</u>	<u>4.26</u>				
	0.83	0.82	(0.15)	0.33	0.37				
<b>MAJOR BRANDS</b>	<b>Newport</b>	<b>Kool</b>	<b>Salem</b>	<b>Vantage</b>	<b>Now</b>				
Base July 1993	3.17	3.01	3.91	1.49	0.68				
April 2, 1994 (4WM)	<u>3.89</u>	<u>3.09</u>	<u>3.95</u>	<u>1.44</u>	<u>0.66</u>				
	0.72	0.08	0.04	(0.05)	(0.02)				
<b>BRANDED DISCOUNTS</b>	<b>Basic</b>	<b>Cambridge</b>	<b>Alpine</b>	<b>Doral</b>	<b>Misty</b>	<b>Montclair</b>	<b>Monarch</b>	<b>Best Value</b>	<b>GPC</b>
Base July 1993	4.91	1.94	0.44	4.66	0.83	0.83	2.43	2.26	4.13
April 2, 1994 (4WM)	<u>4.62</u>	<u>1.83</u>	<u>0.43</u>	<u>4.67</u>	<u>1.04</u>	<u>1.15</u>	<u>2.01</u>	<u>1.18</u>	<u>4.41</u>
	(0.29)	(0.11)	(0.01)	0.01	0.21	0.32	(0.42)	(1.08)	0.28
<b>PRIVATE LABEL</b>	<b>PM</b>	<b>RJR</b>	<b>Liggett</b>	<b>American</b>					
Base July 1993	2.71	4.91	0.78	0.55					
April 2, 1994 (4WM)	<u>1.85</u>	<u>4.09</u>	<u>1.09</u>	<u>0.83</u>					
	(0.86)	(0.82)	0.31	0.28					

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Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: Nielsen Integrated Panel.

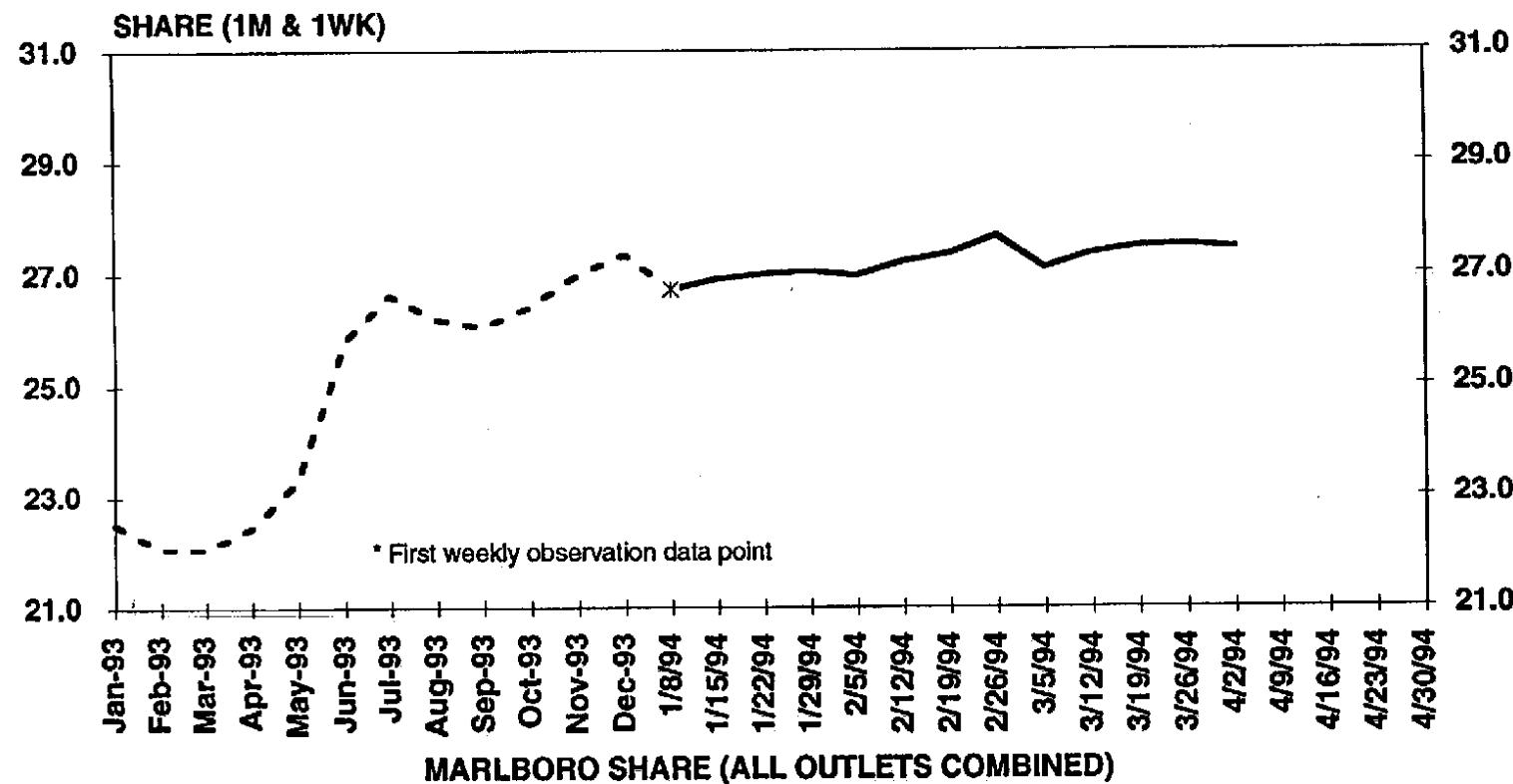
**PM'S WEEKLY SHARE REMAINED STABLE VERSUS WEEK-AGO AT 45.7%, WHILE ON A FOUR WEEK BASIS PERFORMANCE WAS UP +0.1 POINTS VERSUS FOUR WEEKS-AGO.**



Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 1

**MARLBORO'S SHARE DECLINED -0.1 POINTS VERSUS WEEK-AGO TO 27.5%, WHILE ON A FOUR WEEK BASIS, THE FRANCHISE'S PERFORMANCE WAS UP +0.1 POINTS VERSUS FOUR WEEKS-AGO.**

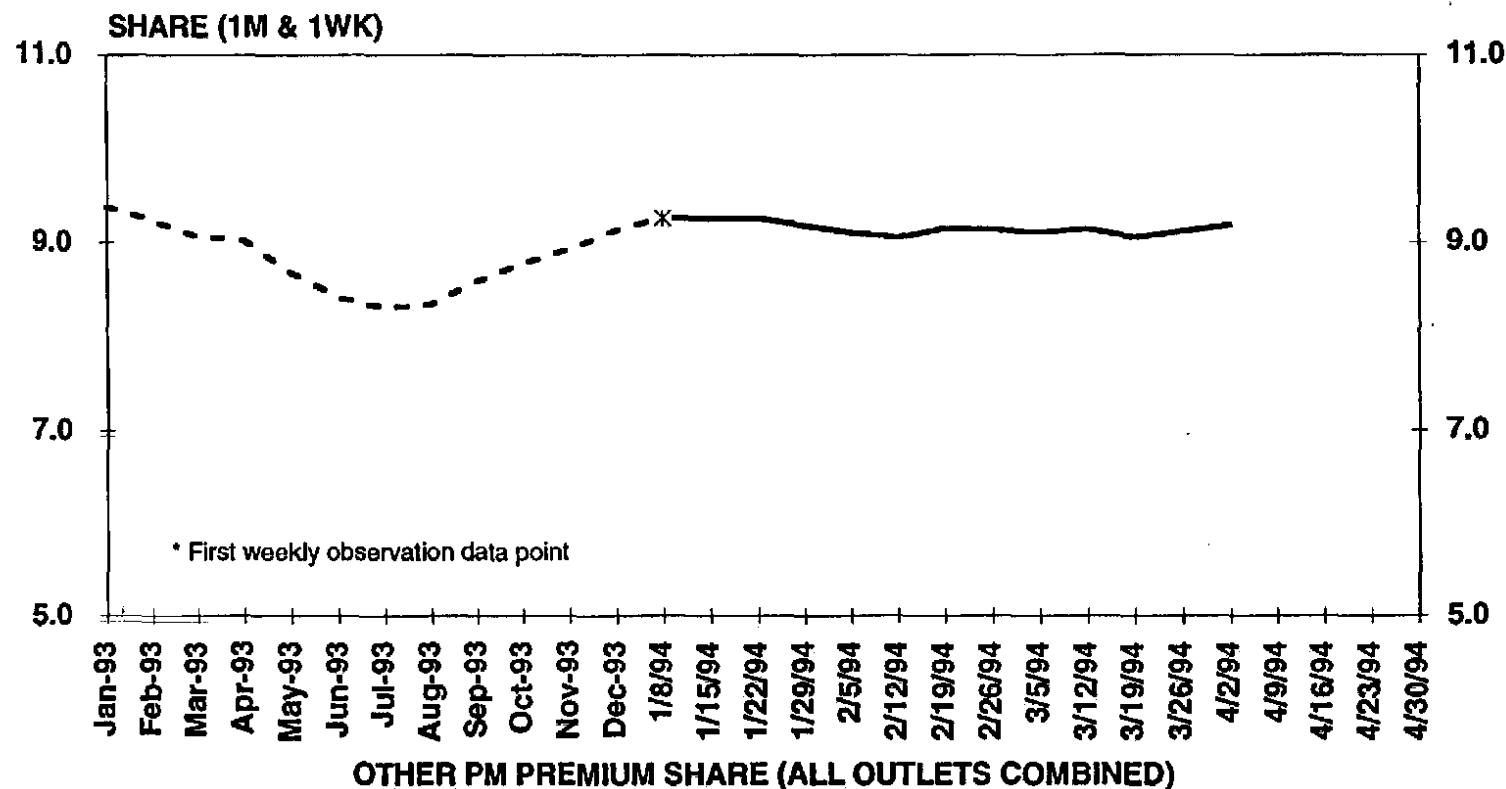


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Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 4

**PM'S OTHER PREMIUM BRANDS' SHARE ADVANCED +0.1 POINTS VERSUS WEEK AGO  
TO 9.2%.**

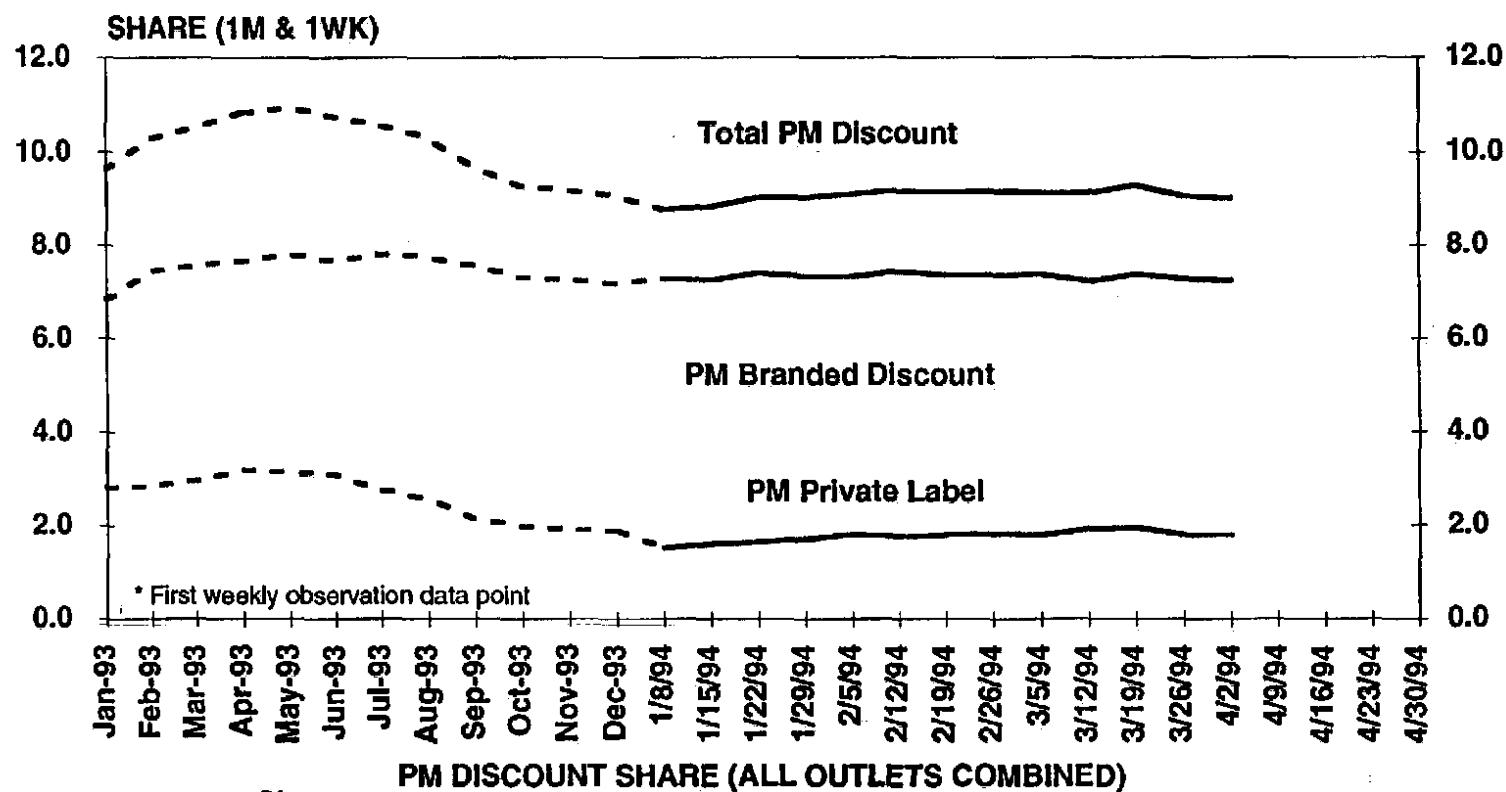


2023556266

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 2

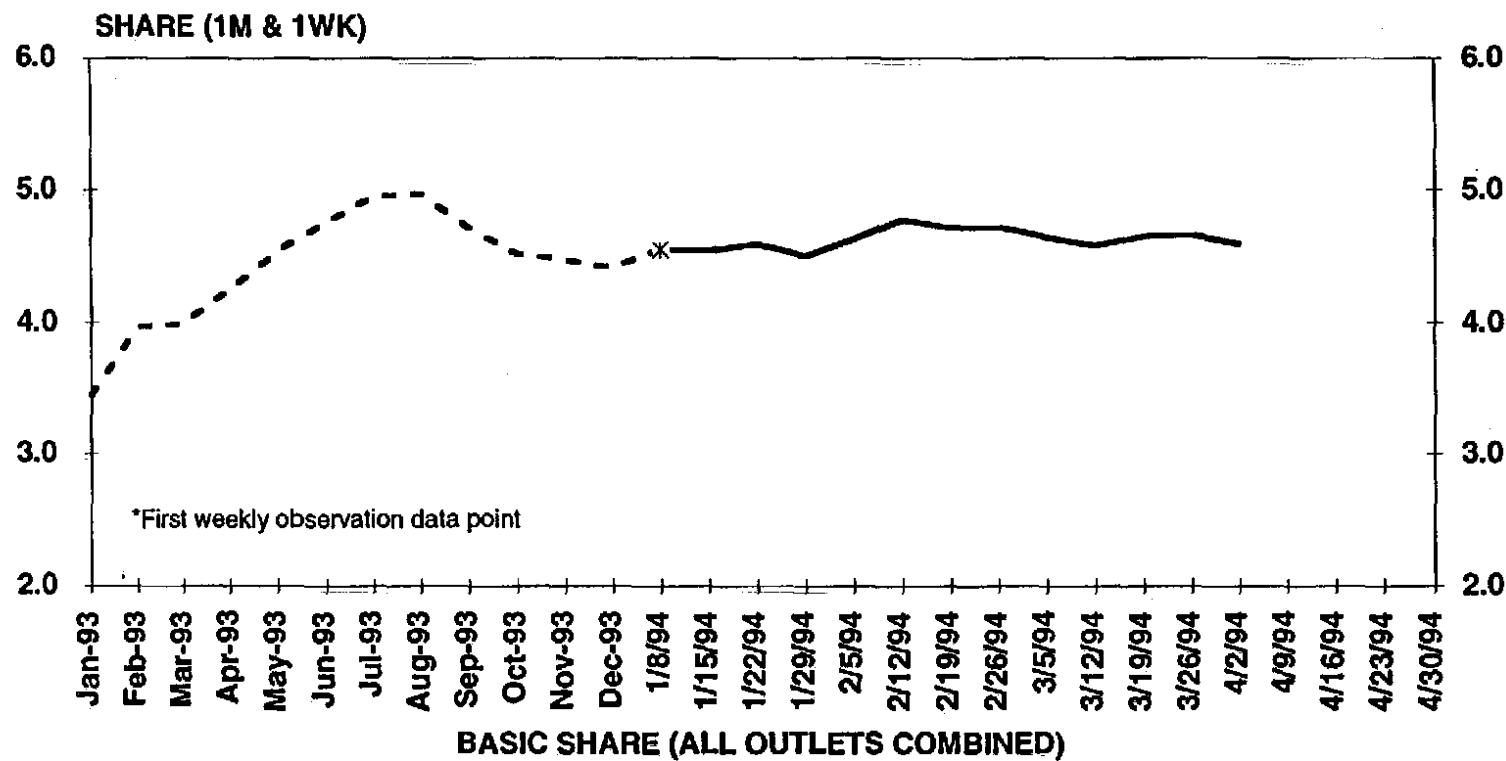
**PM'S DISCOUNT SHARE REMAINED STABLE WEEK-TO-WEEK AT 9.0%.**



Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 3

**BASIC'S SHARE DECLINED -0.1 POINTS VERSUS WEEK-AGO TO 4.6%.**

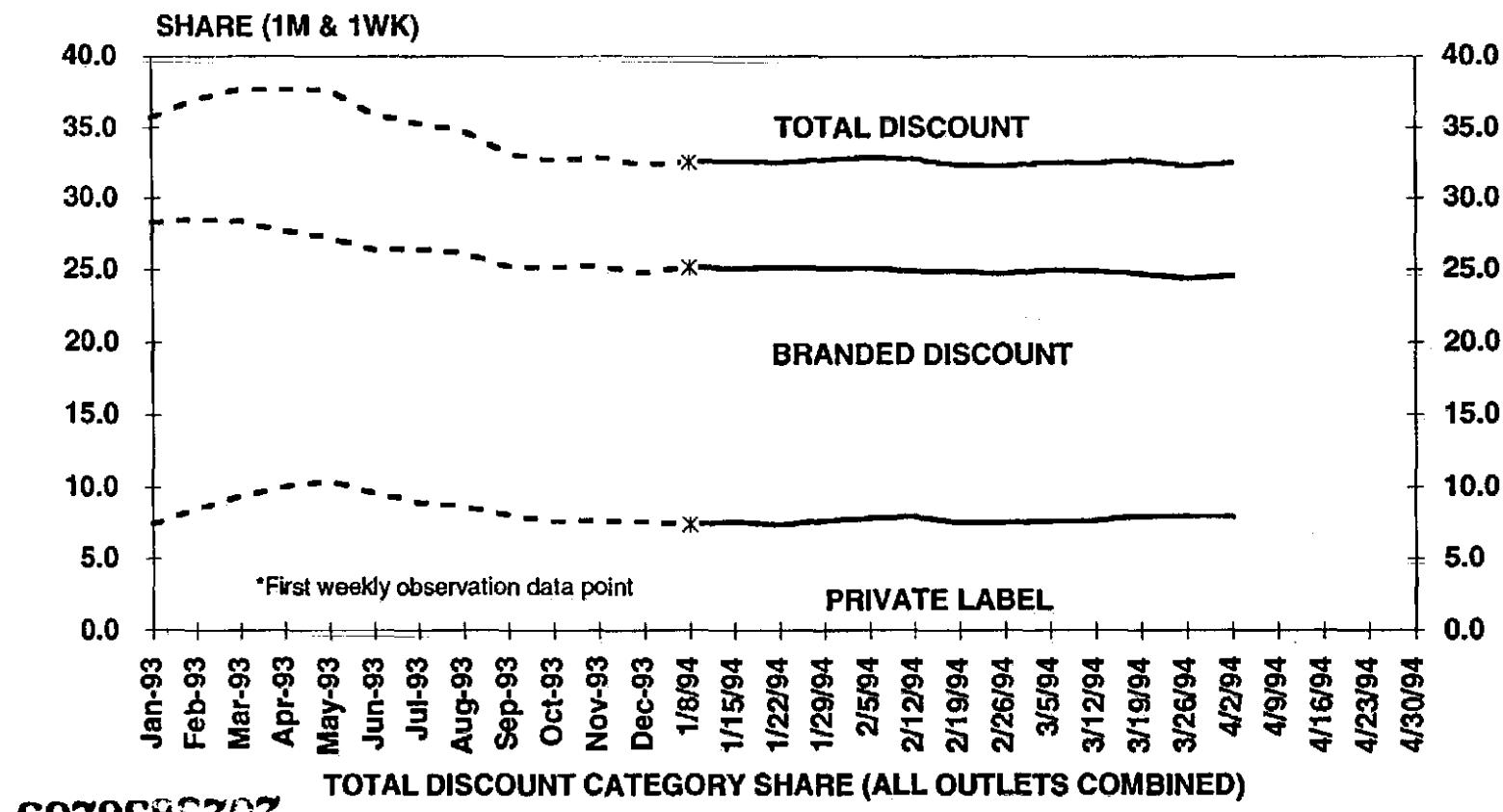


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Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 8

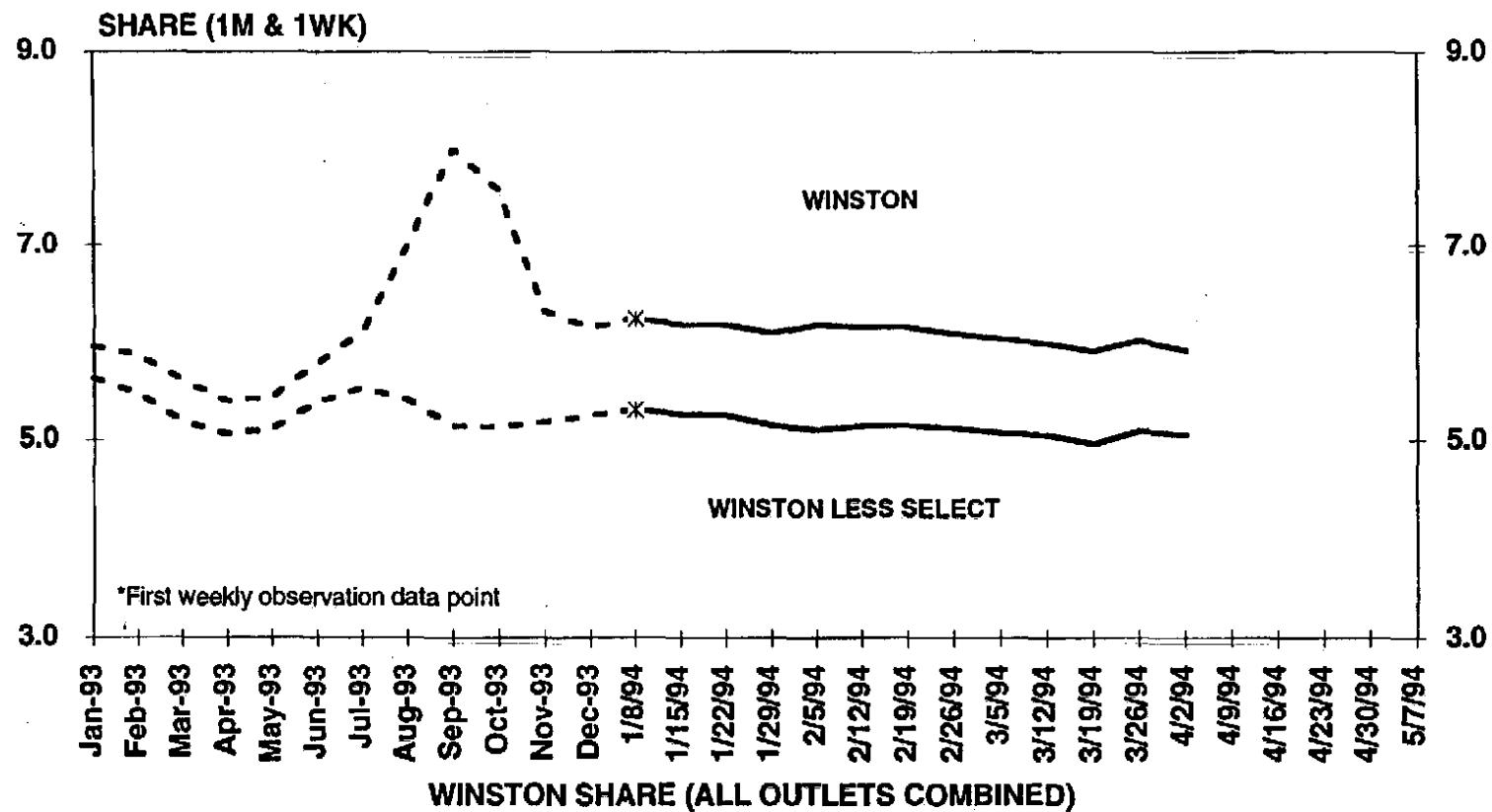
THE DISCOUNT CATEGORY'S SHARE GAINED +0.2 POINTS VERSUS WEEK-AGO TO 32.5%, LIKELY DUE TO THE "FIRST-WEEK-OF-THE-MONTH-EFFECT", WITH THE BRANDED DISCOUNT SEGMENT ACCOUNTING FOR THE MAJORITY OF THE GAIN.



Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 6

**WINSTON'S SHARE DECLINED -0.1 POINTS VERSUS WEEK-AGO TO 5.9%.**



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Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 10

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NIELSEN  
C-STORE

**PM'S PERFORMANCE IN C-STORES**  
**WEEKLY C-STORE AUDITS W/E 4/2/94**

- PM's performance (47.7%) remained stable versus four weeks ago, +0.1 week-to-week.
- Marlboro's share has held near record levels (30.5%), advancing +0.1 points versus week-ago. Stable to growing YTD trend noted.
- Both PM's Other Premium and Discount Brands' shares remained stable week-to-week at 8.0% and 9.1% respectively.
- The Discount Category's weekly share gained +0.3 points versus week-ago to 33.3%, likely due to the "first-week-of-the-month-effect." Both the Branded Discount and Private Label segments experienced week-to-week advances of +0.2 and +0.1 points respectively.
  - Recent PL gains have not expanded the Discount category over the latest three months.
- RJR's weekly share was up +0.2 points versus week-ago to 28.8%, with gains by Doral and Camel more than offsetting Winston losses.
  - Week-to-week, Camel and Doral free product offers doubled.
- Among performance benchmarks, Basic's SOC remains unfavorable (-1.3).
- Among pricing benchmarks, Lowest Discount price and absolute price gap are both marginally unfavorable (-0.1).

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**BENCHMARKS - TOTAL US**  
**NIELSEN WEEKLY C-STORE AUDITS (800 STORES)**

	<u>Benchmarks</u>	<b>4 Weeks Ending 2-Apr</b>	<b>Current vs. Benchmark</b>
<b>Philip Morris</b>	<b>45.2 (lower limit)</b>	<b>47.7</b>	<b>2.5 Favorable</b>
<b>Marlboro</b>	<b>28.2 (lower limit)</b>	<b>30.5</b>	<b>2.3 Favorable</b>
<b>OPB</b>	<b>7.7 (lower limit)</b>	<b>8.0</b>	<b>0.3 Favorable</b>
<b>Virginia Slims</b>	<b>2.3 (lower limit)</b>	<b>2.3</b>	<b>0.0 Favorable</b>
<b>Benson &amp; Hedges</b>	<b>2.2 (lower limit)</b>	<b>2.3</b>	<b>0.1 Favorable</b>
<b>Merit</b>	<b>2.6 (lower limit)</b>	<b>2.7</b>	<b>0.1 Favorable</b>
<b>Parliament</b>	<b>0.4 (lower limit)</b>	<b>0.4</b>	<b>0.0 Favorable</b>
<b>Basic - Shr. of Discount</b>	<b>16.3 (lower limit)</b>	<b>15.0</b>	<b>1.3 Unfavorable</b>
<b>Discount Category</b>	<b>+2.0 Pts. (upper limit)*</b>	<b>33.3</b>	<b>1.6 Favorable</b>
<b>Private Label</b>	<b>10.2 (upper limit)</b>	<b>9.6</b>	<b>0.6 Favorable</b>
<b>Lowest Disc. Price **</b>	<b>\$1.34 (lower limit)</b>	<b>\$1.33</b>	<b>\$0.01 Unfavorable</b>
<b>Absolute Price Gap ***</b>	<b>\$0.57 (upper limit)</b>	<b>\$0.58</b>	<b>\$0.01 Unfavorable</b>

\* Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.9%.

\*\* Source: Nielsen Weekly Pricing Audits (linear average)

\*\*\* Marlboro versus lowest Discount.

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C-store bench 800

**NIELSEN WEEKLY C-STORE DATA**  
**(800 C-Stores)**

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&amp;W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>			
Base March 1993	43.22	33.88	11.01	4.76	5.74	1.37			
April 2, 1994 (4WM)	<u>47.65</u> 4.43	<u>28.58</u> (5.30)	<u>10.34</u> (0.67)	<u>5.47</u> 0.71	<u>6.37</u> 0.63	<u>1.54</u> 0.17			
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>					
Base March 1993	60.26	39.73	28.11	11.63					
April 2, 1994 (4WM)	<u>66.73</u> 6.47	<u>33.27</u> (6.46)	<u>23.69</u> (4.42)	<u>9.58</u> (2.05)					
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>				
Base March 1993	24.43	7.70	5.16	0.51	4.27				
April 2, 1994 (4WM)	<u>30.46</u> 6.03	<u>7.95</u> 0.25	<u>5.46</u> 0.30	<u>1.03</u> 0.52	<u>4.69</u> 0.42				
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>				
Base March 1993	3.90	3.39	3.70	1.41	0.46				
April 2, 1994 (4WM)	<u>4.52</u> 0.62	<u>3.22</u> (0.17)	<u>3.46</u> (0.24)	<u>1.21</u> (0.20)	<u>0.40</u> (0.06)				
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
Base March 1993	4.89	1.46	0.40	3.36	0.75	0.90	4.08	2.88	4.95
April 2, 1994 (4WM)	<u>5.00</u> 0.11	<u>1.25</u> (0.21)	<u>0.31</u> (0.09)	<u>4.05</u> 0.69	<u>0.89</u> 0.14	<u>1.19</u> 0.29	<u>2.68</u> (1.40)	<u>0.69</u> (2.19)	<u>4.94</u> (0.01)
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>					
Base March 1993	3.56	6.97	0.57	0.53					
April 2, 1994 (4WM)	<u>2.30</u> (1.26)	<u>5.08</u> (1.89)	<u>1.08</u> 0.51	<u>1.12</u> 0.59					

2023056274

Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: Nielsen Integrated Panel.

**NIELSEN WEEKLY C-STORE DATA**  
**(800 C-Stores)**

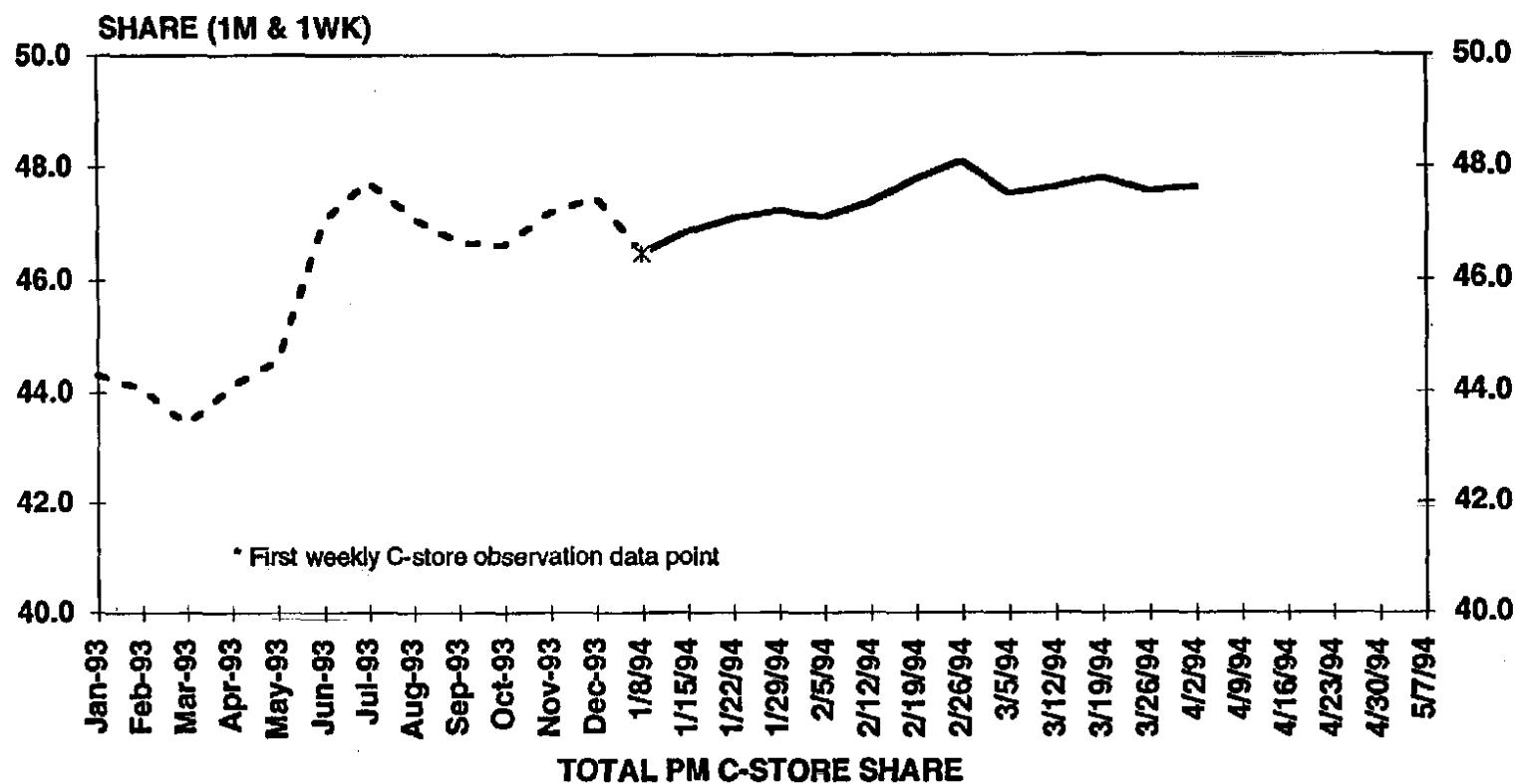
<b>COMPANY</b>	<b>PM</b>	<b>RJR</b>	<b>B&amp;W</b>	<b>American</b>	<b>Lorillard</b>	<b>Liggett</b>			
Base July 1993	47.59	31.33	9.95	4.62	5.36	1.09			
April 2, 1994 (4WM)	<u>47.65</u> 0.06	<u>28.58</u> (2.75)	<u>10.34</u> 0.39	<u>5.47</u> 0.85	<u>6.37</u> 1.01	<u>1.54</u> 0.45			
<b>CATEGORY</b>	<b>Premium</b>	<b>Discount</b>	<b>Branded Discount</b>	<b>Private Label</b>					
Base July 1993	64.00	36.00	25.39	10.62					
April 2, 1994 (4WM)	<u>66.73</u> 2.73	<u>33.27</u> (2.73)	<u>23.69</u> (1.70)	<u>9.58</u> (1.04)					
<b>MAJOR BRANDS</b>	<b>Marlboro</b>	<b>PM OPB</b>	<b>Winston</b>	<b>Select</b>	<b>Camel</b>				
Base July 1993	29.66	7.07	5.89	0.65	4.34				
April 2, 1994 (4WM)	<u>30.46</u> 0.80	<u>7.95</u> 0.88	<u>5.46</u> (0.43)	<u>1.03</u> 0.38	<u>4.69</u> 0.35				
<b>MAJOR BRANDS</b>	<b>Newport</b>	<b>Kool</b>	<b>Salem</b>	<b>Vantage</b>	<b>Now</b>				
Base July 1993	3.74	3.13	3.33	1.20	0.41				
April 2, 1994 (4WM)	<u>4.52</u> 0.78	<u>3.22</u> 0.09	<u>3.46</u> 0.13	<u>1.21</u> 0.01	<u>0.40</u> (0.01)				
<b>BRANDED DISCOUNTS</b>	<b>Basic</b>	<b>Cambridge</b>	<b>Alpine</b>	<b>Doral</b>	<b>Misty</b>	<b>Montclair</b>	<b>Monarch</b>	<b>Best Value</b>	<b>GPC</b>
Base July 1993	5.59	1.38	0.34	3.50	0.77	0.84	3.34	1.64	4.44
April 2, 1994 (4WM)	<u>5.00</u> (0.59)	<u>1.25</u> (0.13)	<u>0.31</u> (0.03)	<u>4.05</u> 0.55	<u>0.89</u> 0.12	<u>1.19</u> 0.35	<u>2.68</u> (0.66)	<u>0.69</u> (0.95)	<u>4.94</u> 0.50
<b>PRIVATE LABEL</b>	<b>PM</b>	<b>RJR</b>	<b>Liggett</b>	<b>American</b>					
Base July 1993	3.05	6.32	0.52	0.73					
April 2, 1994 (4WM)	<u>2.30</u> (0.75)	<u>5.08</u> (1.24)	<u>1.08</u> 0.56	<u>1.12</u> 0.39					

5429583203

Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: Nielsen Integrated Panel.

**PM'S SHARE INCREASED +0.1 POINTS VERSUS WEEK-AGO TO 47.6% WHILE REMAINING STABLE ON A FOUR WEEK BASIS.**



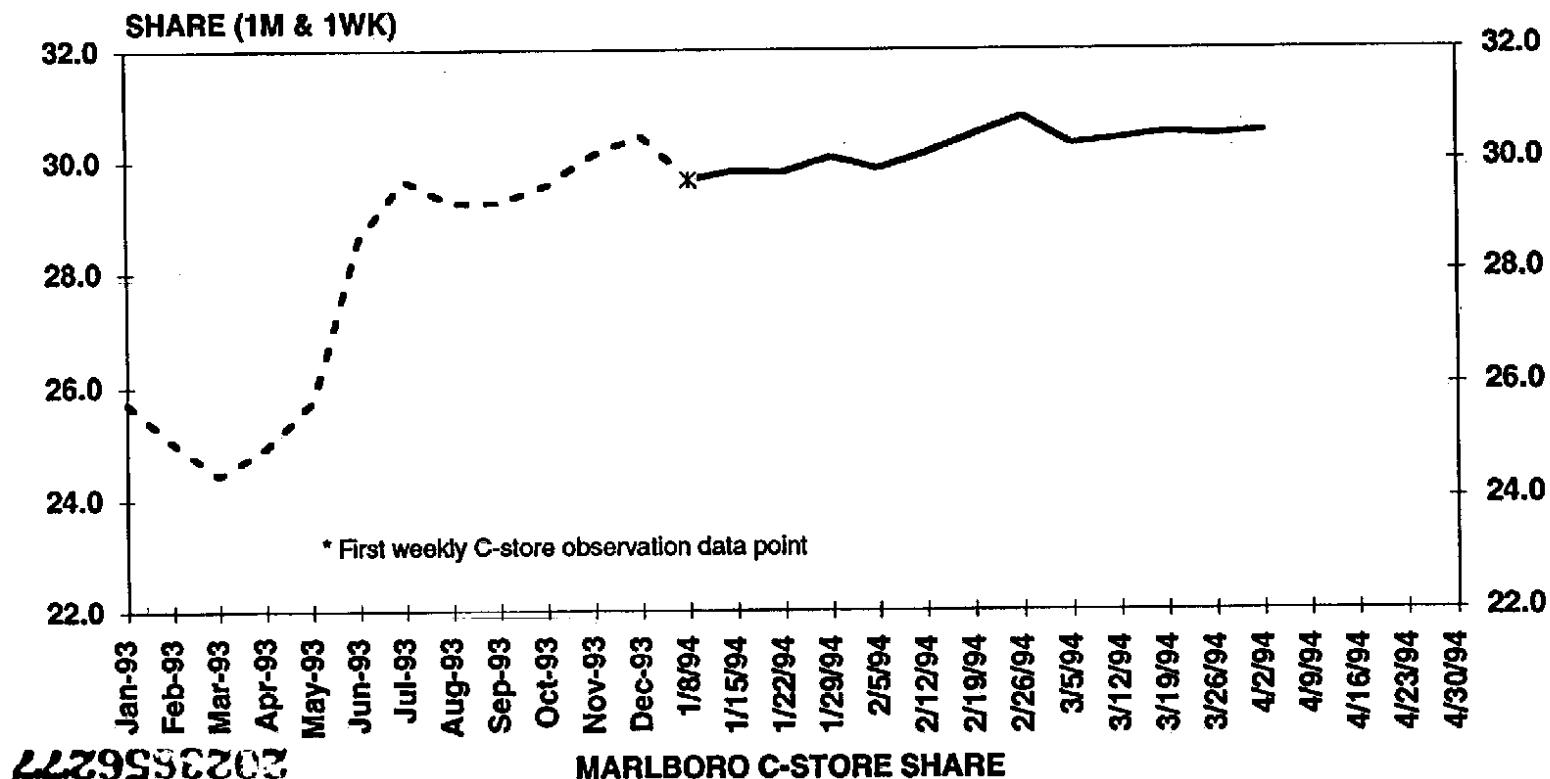
Note: Monthly share data is based on the same 800 store sample as the weekly share information.

9429538202

Source: Integrated Nielsen Panel

Nielsen C-store weekly 800 Chart 1

**MARLBORO'S WEEKLY SHARE INCREASED +0.1 POINTS VERSUS WEEK-AGO TO 30.5%,  
WHILE REMAINING RELATIVELY STABLE ON A FOUR WEEK BASIS.**

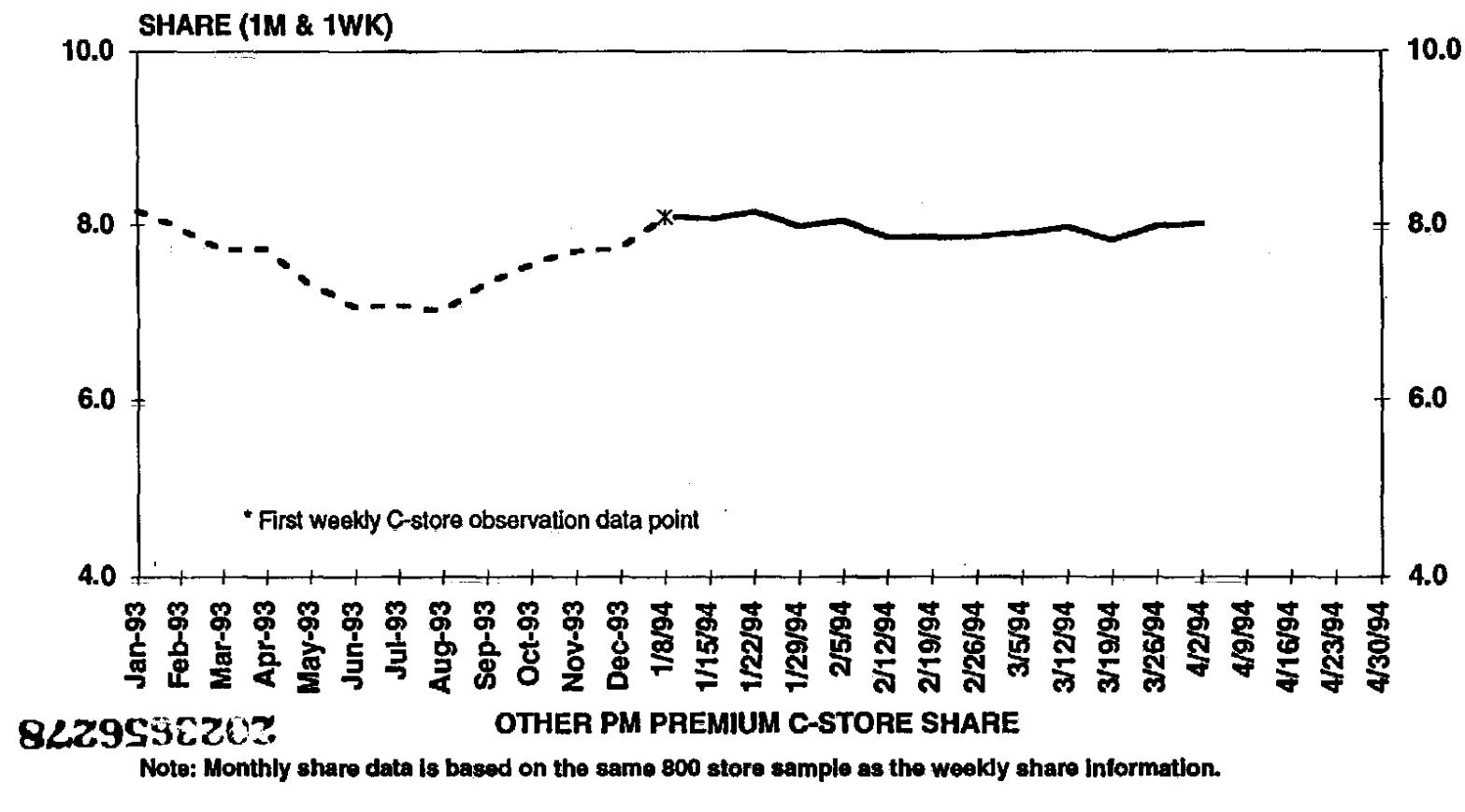


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 4

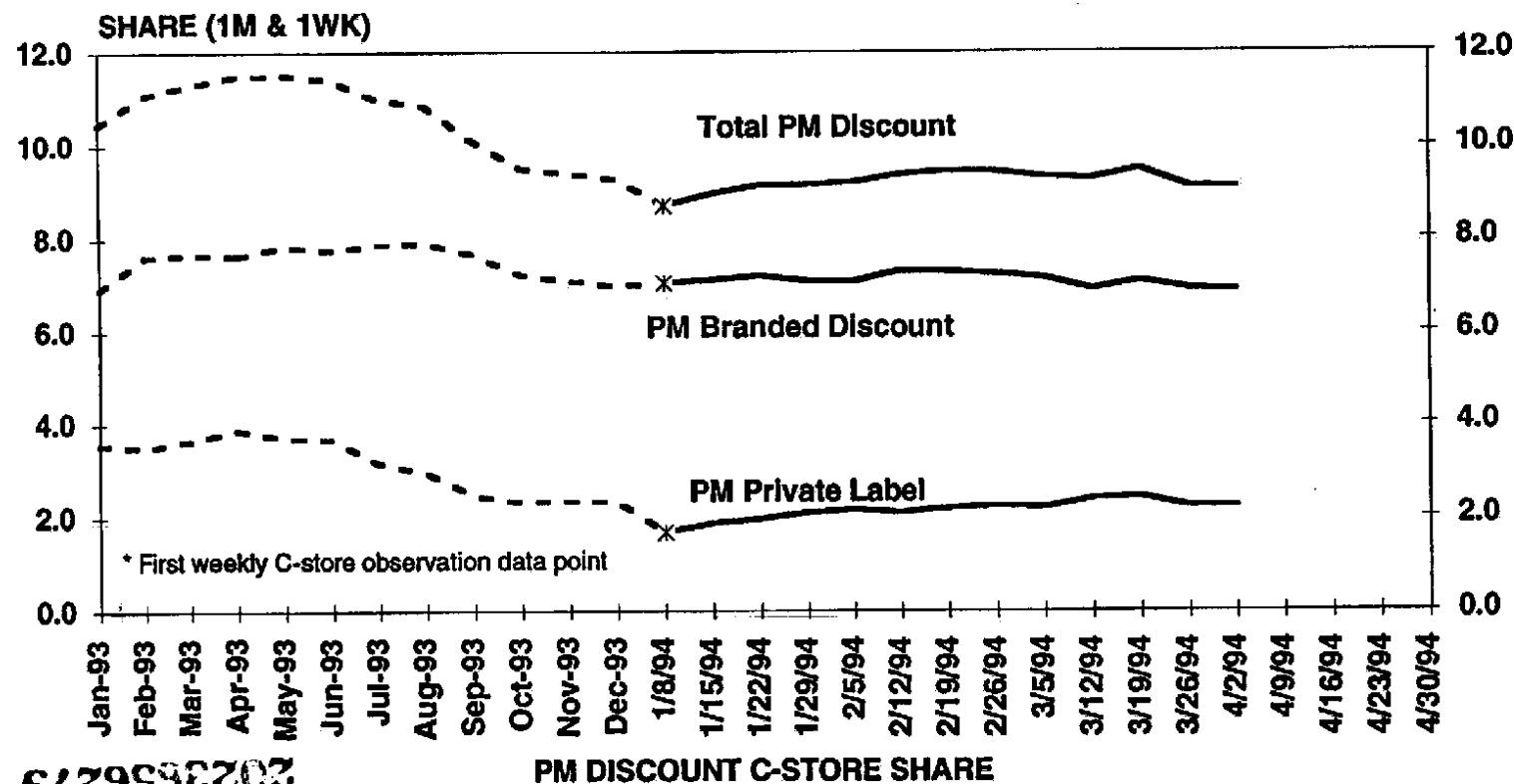
**PM'S OTHER PREMIUM BRANDS' SHARE WAS UNCHANGED WEEK-TO-WEEK AT 8.0%.**



Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 2

**PM'S DISCOUNT BRANDS' SHARE REMAINED STABLE VERSUS WEEK-AGO AT 9.1%.**

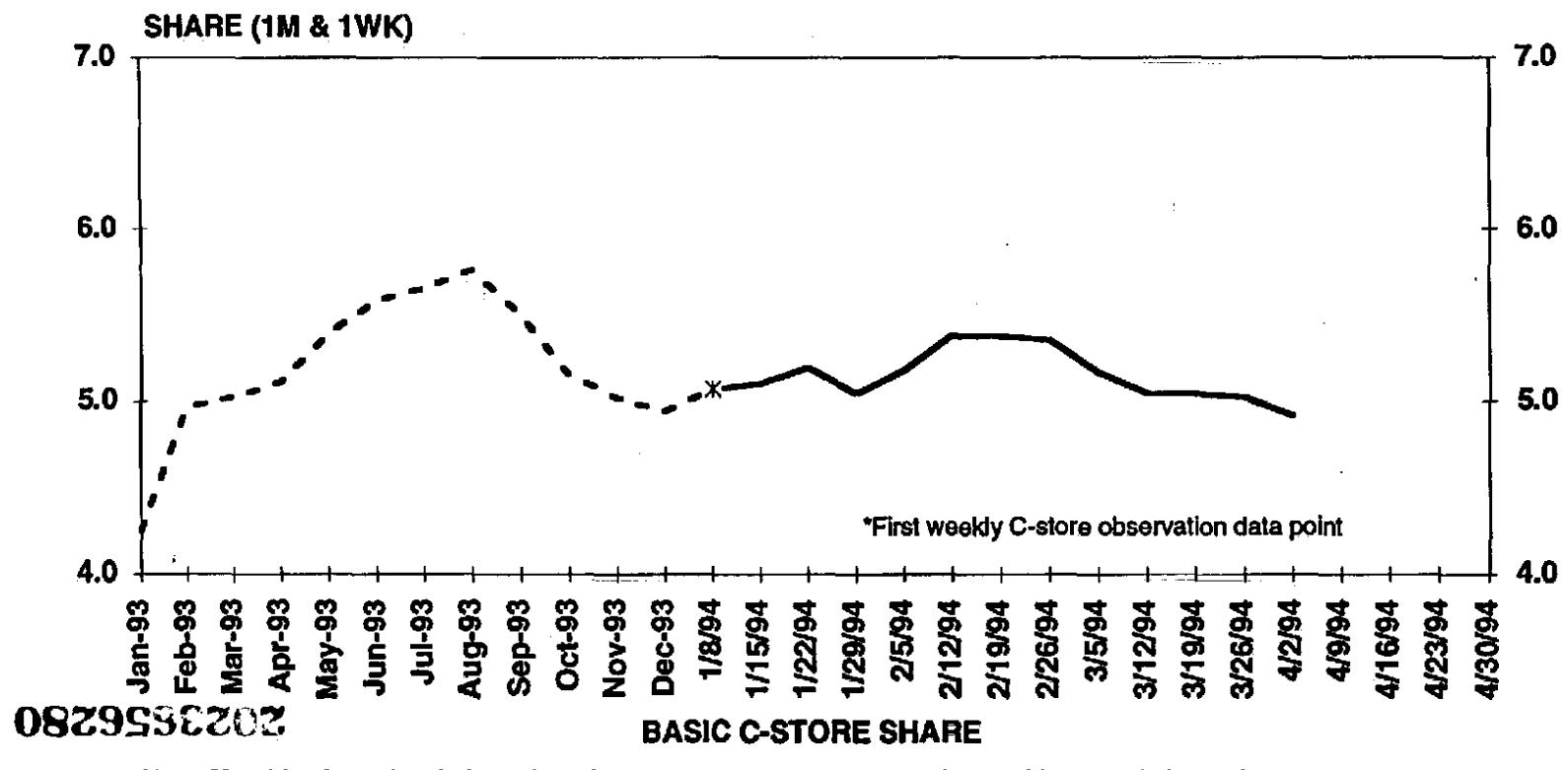


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen C-store weekly 800 Chart 3

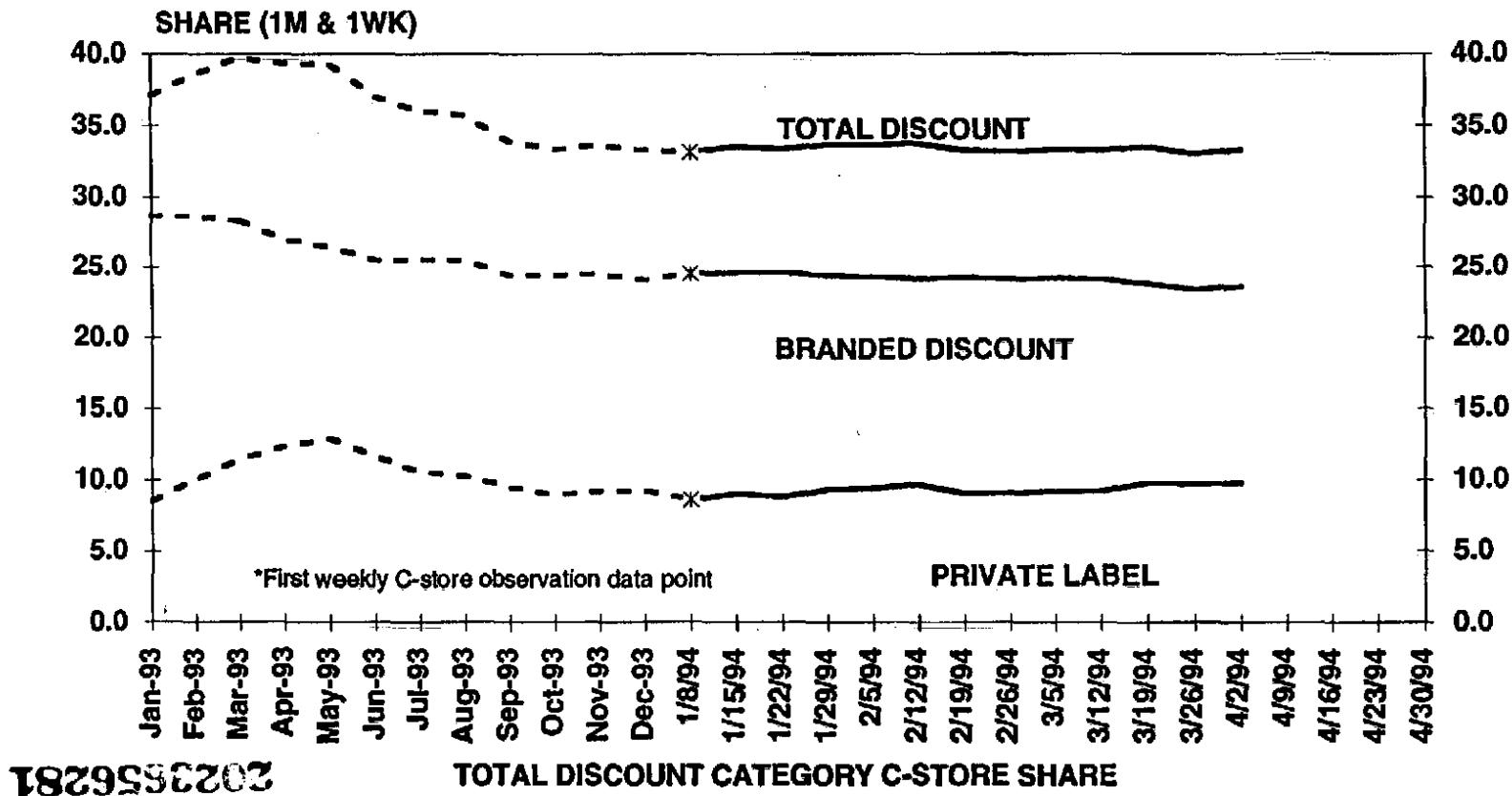
**BASIC'S SHARE IN CONVENIENCE STORES DECLINED -0.1 POINTS VERSUS WEEK-AGO  
TO 4.9%.**



Source: Integrated Nielsen Panel

Nielsen C-store weekly 800 Chart 8

**THE DISCOUNT CATEGORY'S SHARE INCREASED +0.3 POINTS VERSUS WEEK-AGO TO 33.3%, LIKELY DUE TO THE "FIRST-WEEK-OF-THE-MONTH-EFFECT". BOTH THE BRANDED DISCOUNT AND PRIVATE LABEL SEGMENTS EXPERIENCED WEEK-TO-WEEK GAINS OF +0.2 AND +0.1 POINTS RESPECTIVELY.**

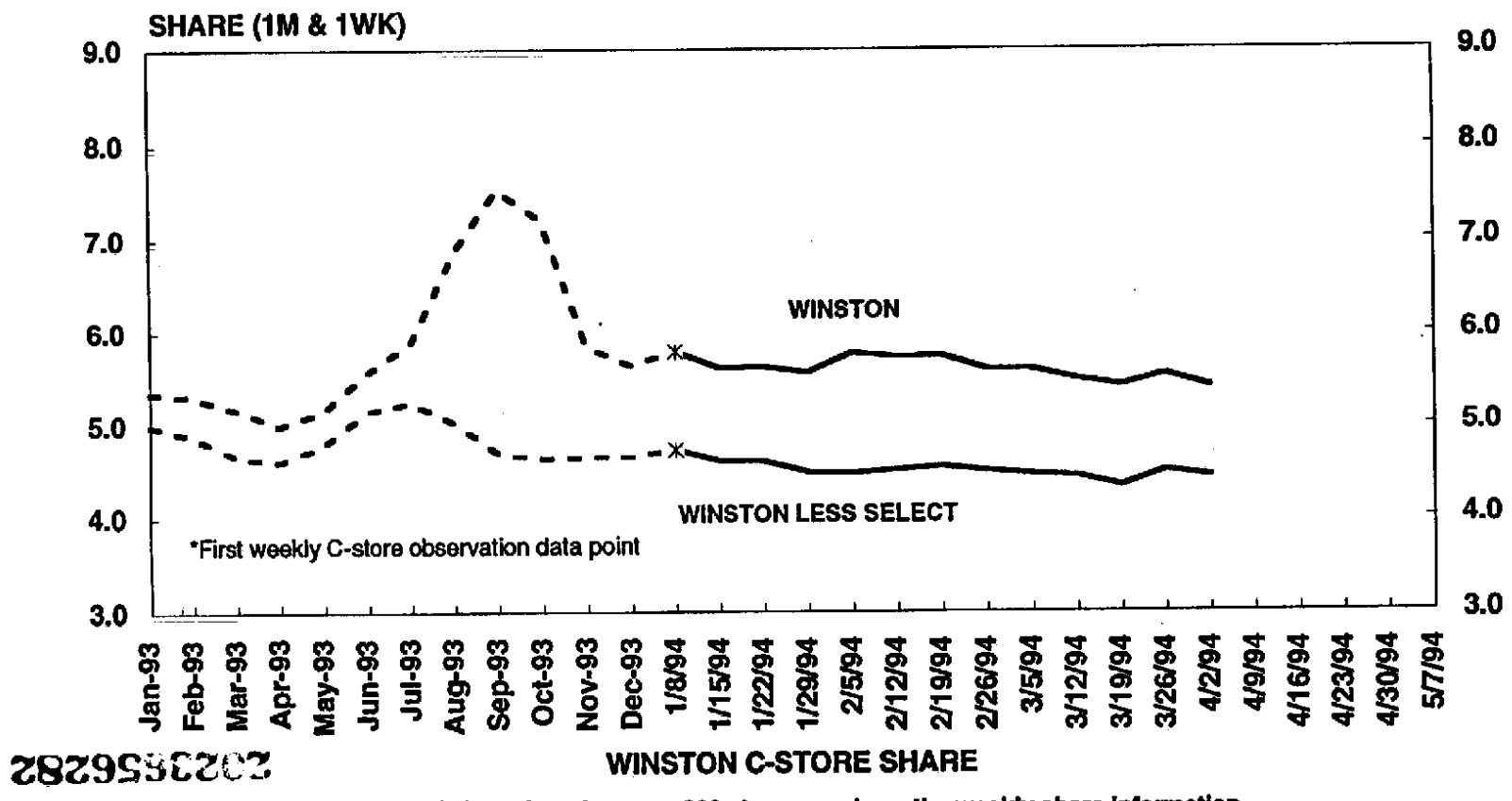


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen C-store weekly 800 Chart 6

**WINSTON'S SHARE THIS WEEK IN C-STORES WAS 5.4%, DOWN -0.1 POINTS VERSUS WEEK-AGO.**



Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 12

**TOTAL INDUSTRY FREE PRODUCT SHARE INCREASED +0.4 POINTS TO 1.3%, WITH RJR ACCOUNTING FOR ALMOST ALL OF THE INCREASE AS DORAL AND CAMEL FREE PRODUCT SHARES NEARLY DOUBLED WEEK-TO-WEEK.**

	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2
Total Industry	0.80	0.77	1.01	1.03	0.94	0.92	1.07	1.09	1.07	1.09	1.19	0.96	1.32
Total RJR	0.63	0.55	0.74	0.73	0.65	0.69	0.70	0.67	0.78	0.87	0.76	0.65	1.03
Total Winston	0.06	0.07	0.13	0.20	0.32	0.42	0.34	0.35	0.23	0.24	0.17	0.10	0.06
Total Camel	0.45	0.38	0.35	0.24	0.22	0.21	0.28	0.15	0.18	0.17	0.22	0.23	0.47
Total Doral	0.09	0.09	0.16	0.10	0.03	0.04	0.05	0.16	0.35	0.45	0.35	0.28	0.47
Monarch	0.02	0.02	0.09	0.18	0.07	0.02	0.03	0.01	0.01	0.01	0.02	0.03	0.03
Total PM	0.09	0.12	0.17	0.18	0.19	0.11	0.21	0.24	0.11	0.11	0.29	0.21	0.23
PM Premium	0.00	0.00	0.00	0.00	0.30	0.01	0.00	0.00	0.00	0.03	0.02	0.01	0.01
PM Discount	0.09	0.12	0.17	0.18	0.16	0.10	0.21	0.24	0.11	0.08	0.28	0.20	0.22
Total Lorillard	0.04	0.06	0.04	0.02	0.02	0.06	0.04	0.01	0.01	0.00	0.01	0.00	0.00
Total B&W	0.02	0.02	0.05	0.10	0.07	0.05	0.09	0.07	0.09	0.06	0.07	0.08	0.05
Total American	0.02	0.01	0.01	0.01	0.01	0.01	0.02	0.10	0.08	0.05	0.06	0.03	0.01

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SOURCE: NEILSEN WEEKLY C-STORE AUDIT (400 STORES)

Free Prod Chart

**2023656284**

**MCLANE  
SHIPMENTS**

**MCLANE SUMMARY THROUGH APRIL 8****Total McLane**

- Total industry volume decreased, primarily in C-stores, following last week's forced shipment of Camel promotions to Circle-K and Dairy Mart.
- PM's volume and share continue to be strong (particularly Marlboro at SAM's). This week's gain was driven by C-stores where share had been suppressed during forced shipments of Austin and Camel promotions.

**Total C-Stores**

- Basic's share increased this week partially due to shipments of B2G1F product to Circle-K (Region 3 stores only). Shares returned to prior levels in several C-store accounts following recent competitive promotional activity.
- Additional shipments of Camel 35¢ off 2-Pack were reported at Circle-K (2 week cume penetration at 95% of stores). Coastal Mart also received shipments for the first time this week.
  - Shipments are expected to remaining stores at Circle-K, Dairy Mart and Coastal Mart.

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**MCLANE SHIPMENT DATA**  
**(C-Stores & Mass Merch)**

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&amp;W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>			
4 wk Base April 2,1993	39.66	37.42	13.76	3.76	4.30	1.07			
April 8, 1994 (4wm)	<u>46.57</u> 6.91	<u>30.12</u> (7.30)	<u>12.10</u> (1.66)	<u>4.58</u> 0.82	<u>5.03</u> 0.73	<u>1.58</u> 0.51			
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>					
4 wk Base April 2,1993	54.90	45.10	32.71	12.39					
April 8, 1994 (4wm)	<u>67.01</u> 12.11	<u>32.99</u> (12.11)	<u>25.25</u> (7.46)	<u>7.74</u> (4.65)					
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPR</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>				
4 wk Base April 2,1993	21.44	7.33	5.12	0.18	3.88				
April 8, 1994 (4wm)	<u>29.15</u> 7.71	<u>8.21</u> 0.88	<u>5.64</u> 0.52	<u>0.63</u> 0.45	<u>4.92</u> 1.04				
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>				
4 wk Base April 2,1993	2.97	3.44	3.52	1.39	0.52				
April 8, 1994 (4wm)	<u>3.47</u> 0.50	<u>3.30</u> (0.14)	<u>3.58</u> 0.06	<u>1.41</u> 0.02	<u>0.55</u> 0.03				
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
4 wk Base April 2,1993	5.85	1.83	0.35	4.38	0.46	0.67	3.54	4.30	7.97
April 8, 1994 (4wm)	<u>4.10</u> (1.75)	<u>1.92</u> 0.09	<u>0.41</u> 0.06	<u>5.03</u> 0.65	<u>0.79</u> 0.33	<u>0.98</u> 0.31	<u>1.40</u> (2.14)	<u>1.48</u> (2.82)	<u>6.54</u> (1.43)
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>					
4 wk Base April 2,1993	2.39	9.31	0.69	0.00					
April 8, 1994 (4wm)	<u>1.91</u> <b>2023556286</b>	<u>4.86</u> (0.48)	<u>0.97</u> (4.45)	<u>0.00</u> 0.28					

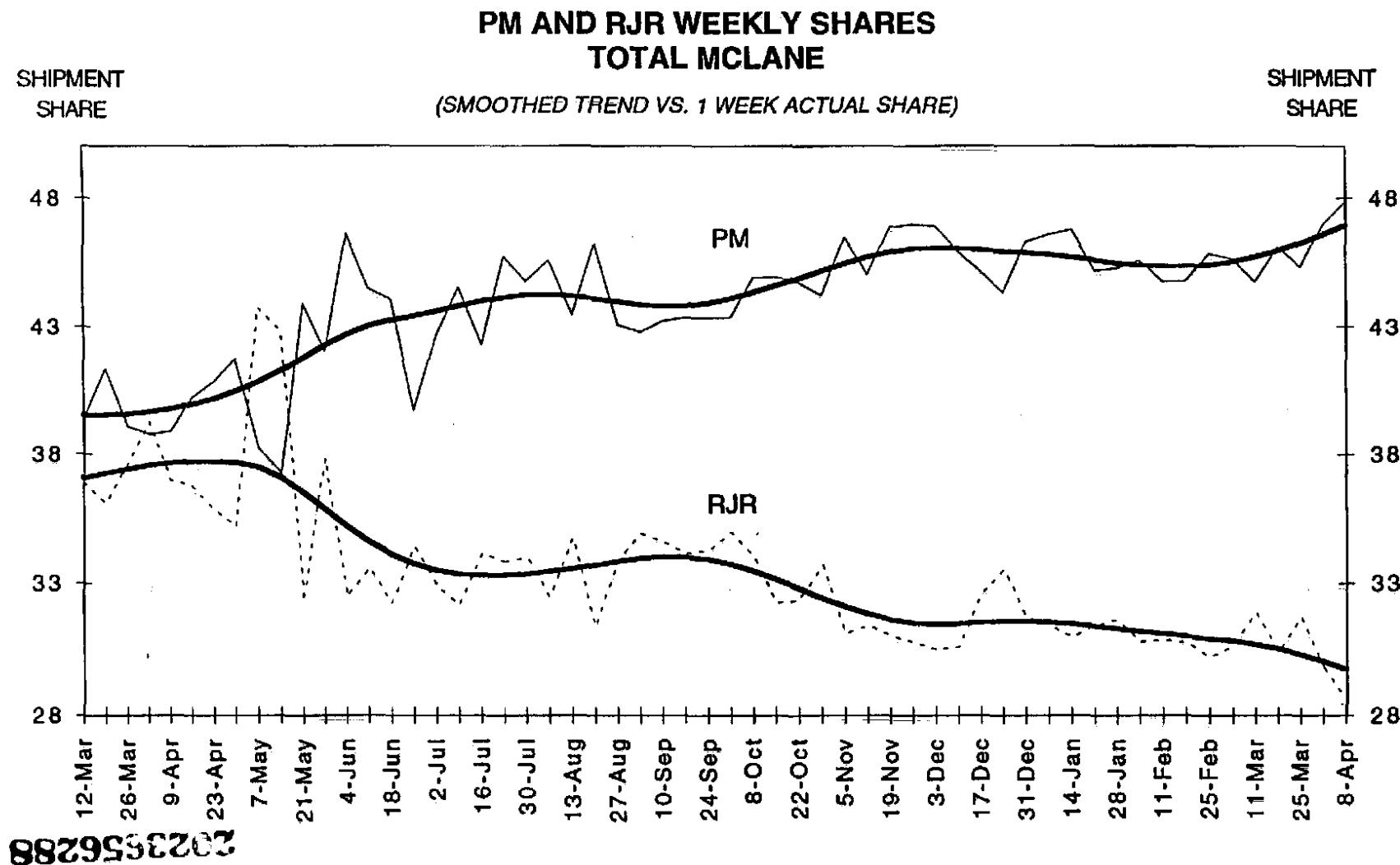
NOTE:THESE TOP 20 ACCOUNTS ARE PRIMARILY SUPPLIED WITH RJR PRIVATE LABEL PRODUCTS.

**MCLANE SHIPMENT DATA**  
**(C-Stores & Mass Merch)**

<b>COMPANY</b>	<b>PM</b>	<b>RJR</b>	<b>B&amp;W</b>	<b>American</b>	<b>Lorillard</b>	<b>Liggett</b>			
4 wk Base August 6,1993	44.57	33.64	12.29	3.76	4.25	1.49			
April 8, 1994 (4wm)	<u>46.57</u> 2.00	<u>30.12</u> (3.52)	<u>12.10</u> (0.19)	<u>4.58</u> 0.82	<u>5.03</u> 0.78	<u>1.58</u> 0.09			
<b>CATEGORY</b>	<b>Premium</b>	<b>Discount</b>	<b>Branded</b>	<b>Private</b>					
4 wk Base August 6,1993	57.86	42.14	33.62	8.52					
April 8, 1994 (4wm)	<u>67.01</u> 9.15	<u>32.99</u> (9.15)	<u>25.25</u> (8.37)	<u>7.74</u> (0.78)					
<b>MAJOR BRANDS</b>	<b>Marlboro</b>	<b>PM OPB</b>	<b>Winston</b>	<b>Select</b>	<b>Camel</b>				
4 wk Base August 6,1993	24.85	7.14	6.32	0.78	3.06				
April 8, 1994 (4wm)	<u>29.15</u> 4.30	<u>8.21</u> 1.07	<u>5.64</u> (0.68)	<u>0.63</u> (0.15)	<u>4.92</u> 1.86				
<b>MAJOR BRANDS</b>	<b>Newport</b>	<b>Kool</b>	<b>Salem</b>	<b>Vantage</b>	<b>Now</b>				
4 wk Base August 6,1993	2.91	2.95	3.45	1.29	0.52				
April 8, 1994 (4wm)	<u>3.47</u> 0.56	<u>3.30</u> 0.35	<u>3.58</u> 0.13	<u>1.41</u> 0.12	<u>0.55</u> 0.03				
<b>BRANDED DISCOUNTS</b>	<b>Basic</b>	<b>Cambridge</b>	<b>Alpine</b>	<b>Doral</b>	<b>Misty</b>	<b>Montclair</b>	<b>Monarch</b>	<b>Best Value</b>	<b>GPC</b>
4 wk Base August 6,1993	7.99	1.68	0.33	4.90	0.55	0.65	4.03	3.11	7.01
April 8, 1994 (4wm)	<u>4.10</u> <b>2023556287</b> (3.89)	<u>1.92</u> <b>0.24</b>	<u>0.41</u> 0.08	<u>5.03</u> 0.13	<u>0.79</u> 0.24	<u>0.98</u> 0.33	<u>1.40</u> (2.63)	<u>1.48</u> (1.63)	<u>6.54</u> (0.47)
<b>PRIVATE LABEL</b>	<b>PM</b>	<b>RJR</b>	<b>Liggett</b>	<b>American</b>					
4 wk Base August 6,1993	2.26	5.52	0.74	0.00					
April 8, 1994 (4wm)	<u>1.91</u> (0.35)	<u>4.86</u> (0.66)	<u>0.97</u> 0.23	<u>0.00</u> 0.00					

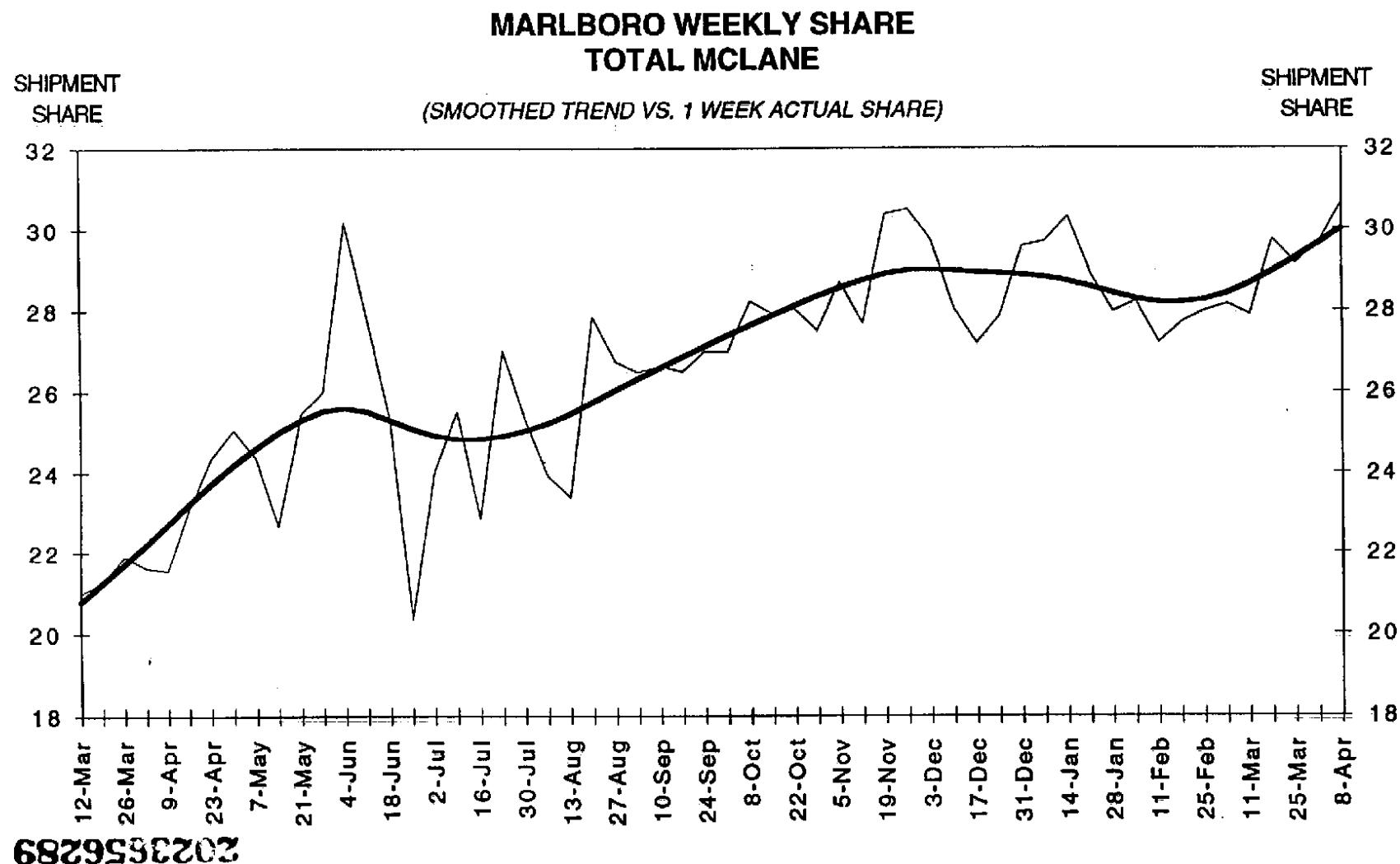
NOTE:THESE ACCOUNTS ARE PRIMARILY SUPPLIED WITH RJR PRIVATE LABEL PRODUCTS.

PM'S WEEKLY SHARE INCREASED, PRIMARILY IN C-STORES, WHERE SHARES FLUCTUATED DURING THE RECENT FORCED SHIPMENTS OF CAMEL AND AUSTIN PROMOTIONS.



JMP WEEKLY GRAPHS ver 2 Chart 2

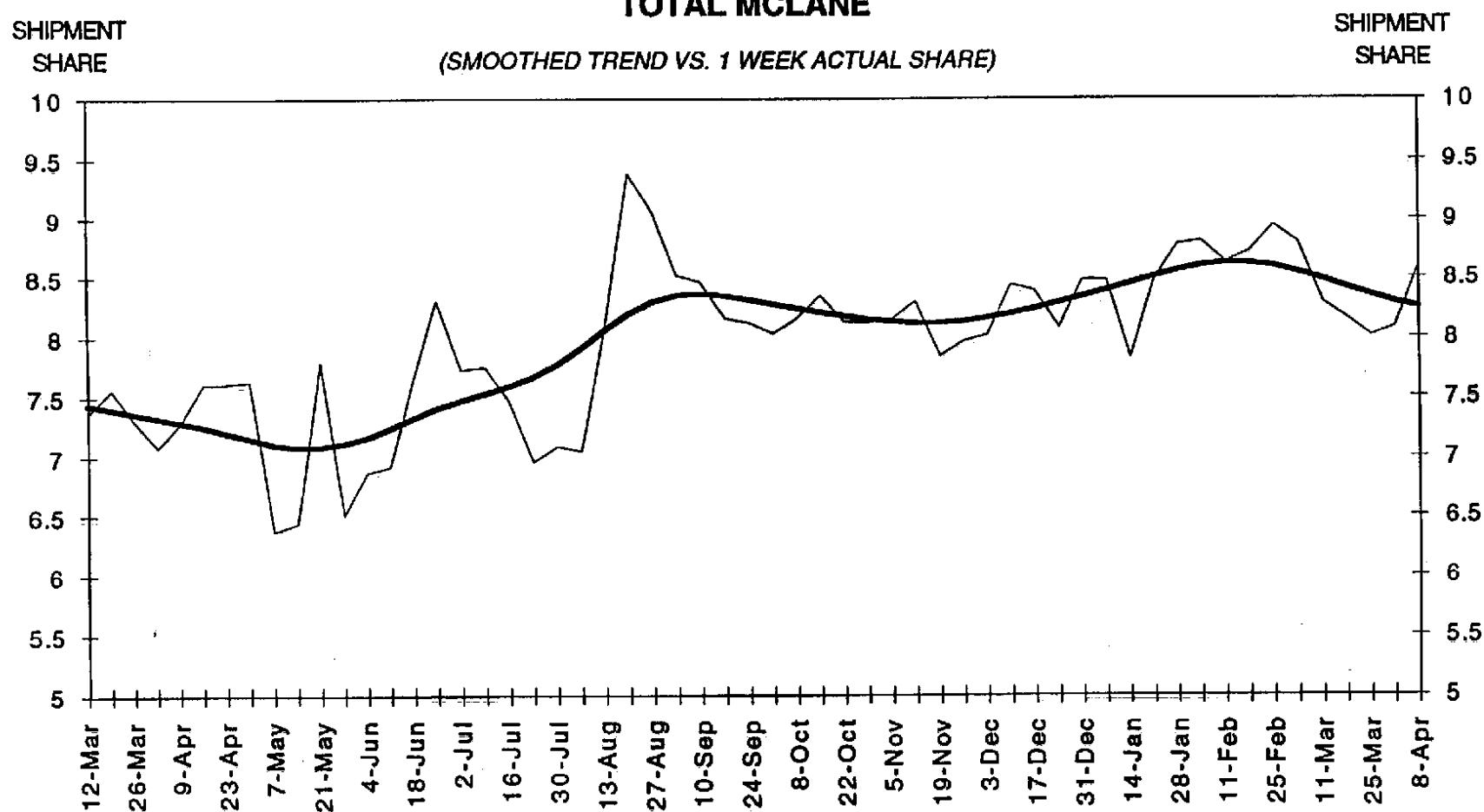
MARLBORO VOLUME AND SHARE CONTINUE TO BE STRONG (PARTICULARLY AT SAM'S). THIS WEEK'S GAIN WAS DRIVEN BY C-STORES WHERE SHARE WAS SUPPRESSED IN RECENT WEEKS.



JMP WEEKLY GRAPHS ver 2 Chart 4

PM'S OTHER PREMIUM BRANDS' WEEKLY SHARE RETURNED TO PRIOR LEVELS WHILE VOLUME PERFORMANCE REMAINED STEADY IN BOTH WAL-MART AND C-STORES.

**PREMIUM LESS MARLBORO WEEKLY SHARE  
TOTAL McLane**

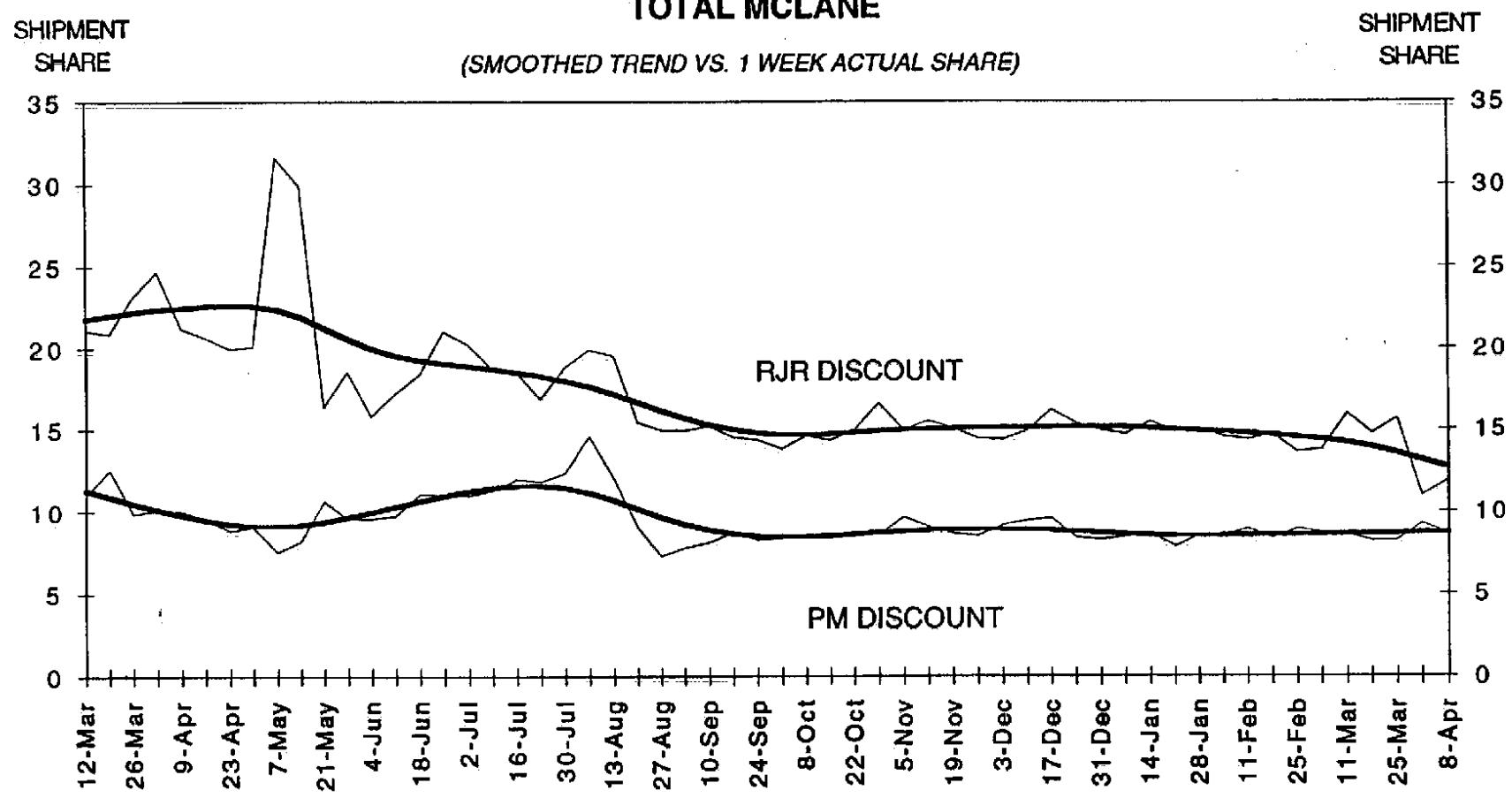


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JMP WEEKLY GRAPHS ver 2 Chart 5

PM DISCOUNT'S WEEKLY SHARE DECREASED DESPITE GAINS AT WAL-MART AND SHIPMENTS OF BASIC FREE-PRODUCT TO CIRCLE-K. RJR'S DISCOUNT SHARE REFLECTED PAYBACK AT CIRCLE-K FOLLOWING THE RECENT AUSTIN PROMOTION.

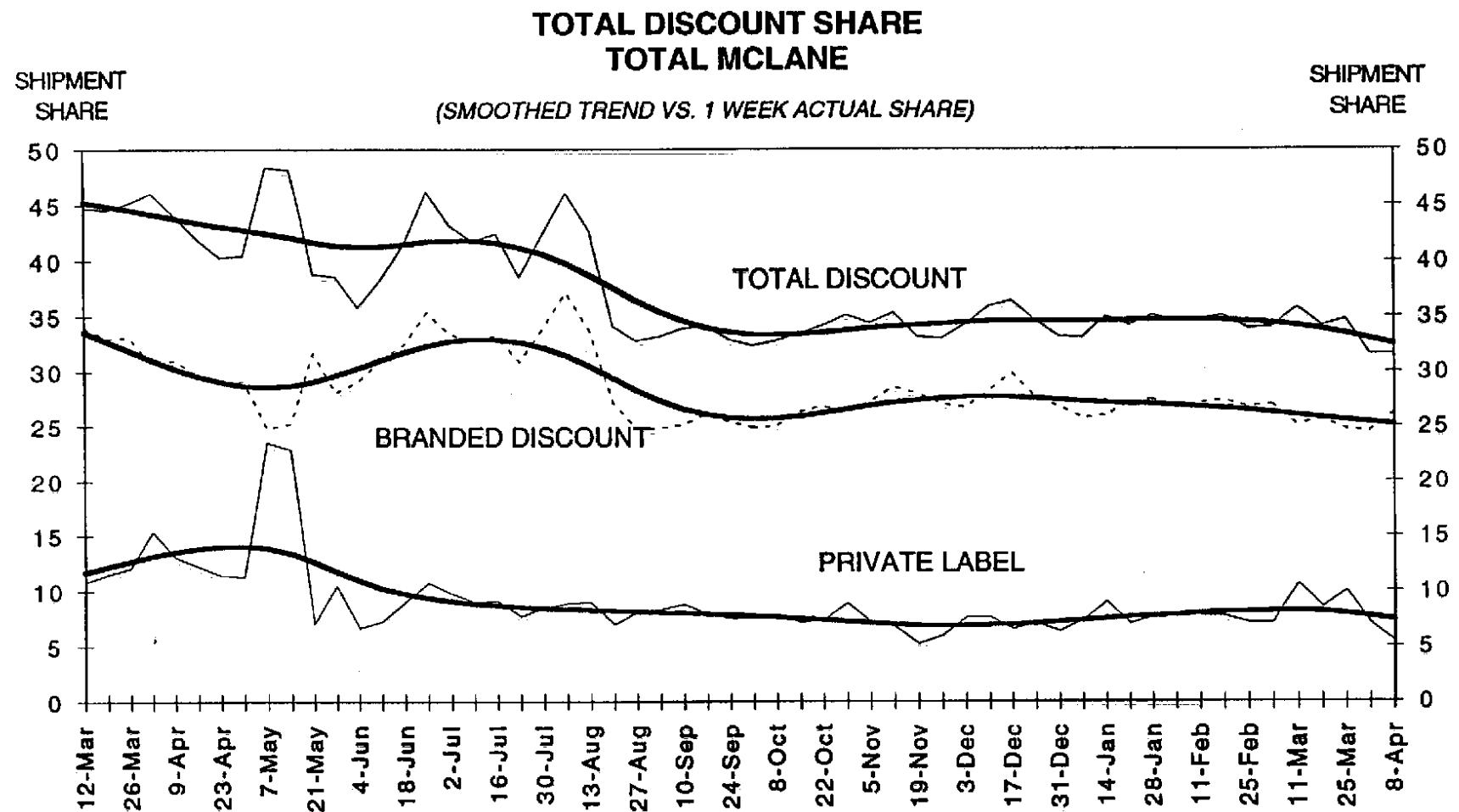
**PM AND RJR DISCOUNT SHARE OF INDUSTRY  
TOTAL MCLANE**



2023656291

JMP WEEKLY GRAPHS ver 2 Chart 6

TOTAL DISCOUNT CATEGORY SHARE TREND DECLINE REFLECTS PAYBACK FOLLOWING THE RECENT AUSTIN PROMOTION AT CIRCLE-K.

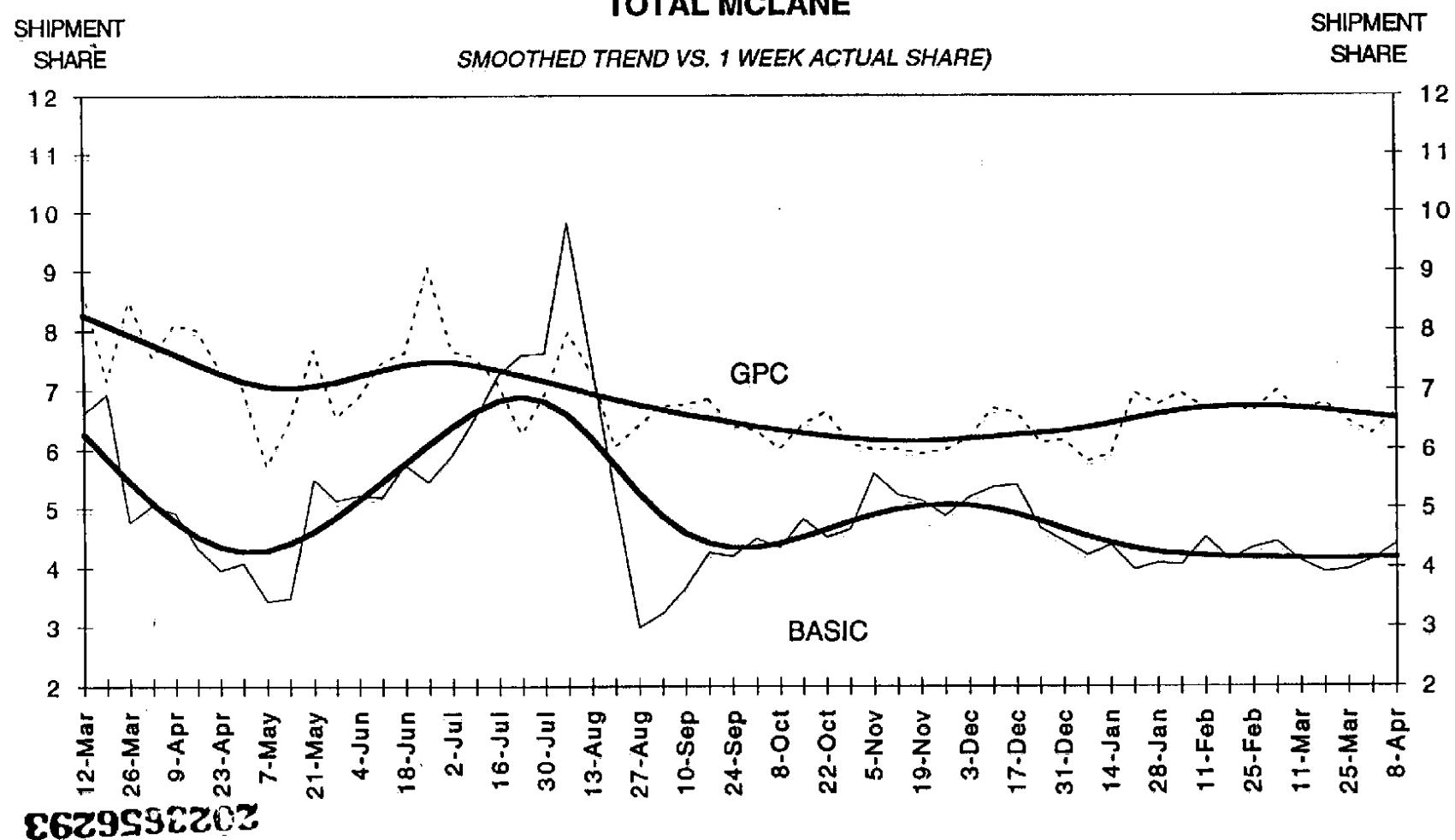


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JMP WEEKLY GRAPHS ver 2 Chart 7

BASIC'S SHARE INCREASED THIS WEEK PARTIALLY DUE TO SHIPMENTS OF B2G1F PRODUCT TO CIRCLE-K(REGION 3). BASIC AND GPC SHARE RETURNED TO PRIOR LEVELS IN OTHER ACCOUNTS FOLLOWING RECENT COMPETITIVE PROMOTIONAL ACTIVITY.

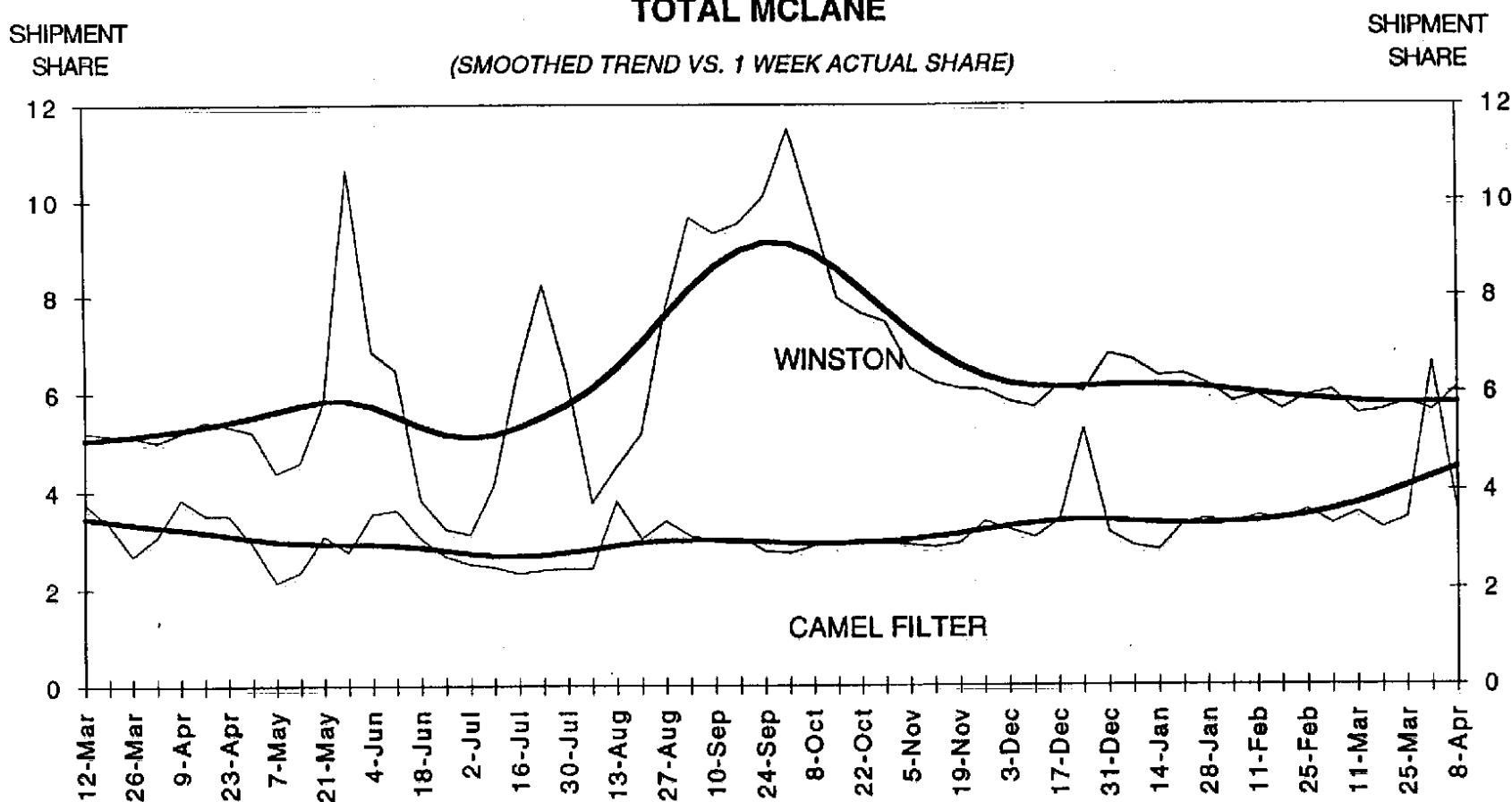
**BASIC AND GPC SHARE OF INDUSTRY  
TOTAL MCLANE**



JMP WEEKLY GRAPHS ver 2 Chart 8

WINSTON'S VOLUME AND SHARE REMAINED RELATIVELY STABLE. CAMEL'S SHARE RETURNED TO PRIOR LEVELS FOLLOWING LAST WEEK'S FORCED SHIPMENT OF PROMOTIONS TO CIRCLE-K AND DAIRY MART. ADDITIONAL CAMEL PROMOTIONS WERE SHIPPED THIS WEEK TO COASTAL MART.

### WINSTON AND CAMEL FILTER SHARE OF INDUSTRY TOTAL McLANE



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JMP WEEKLY GRAPHS ver 2 Chart 9

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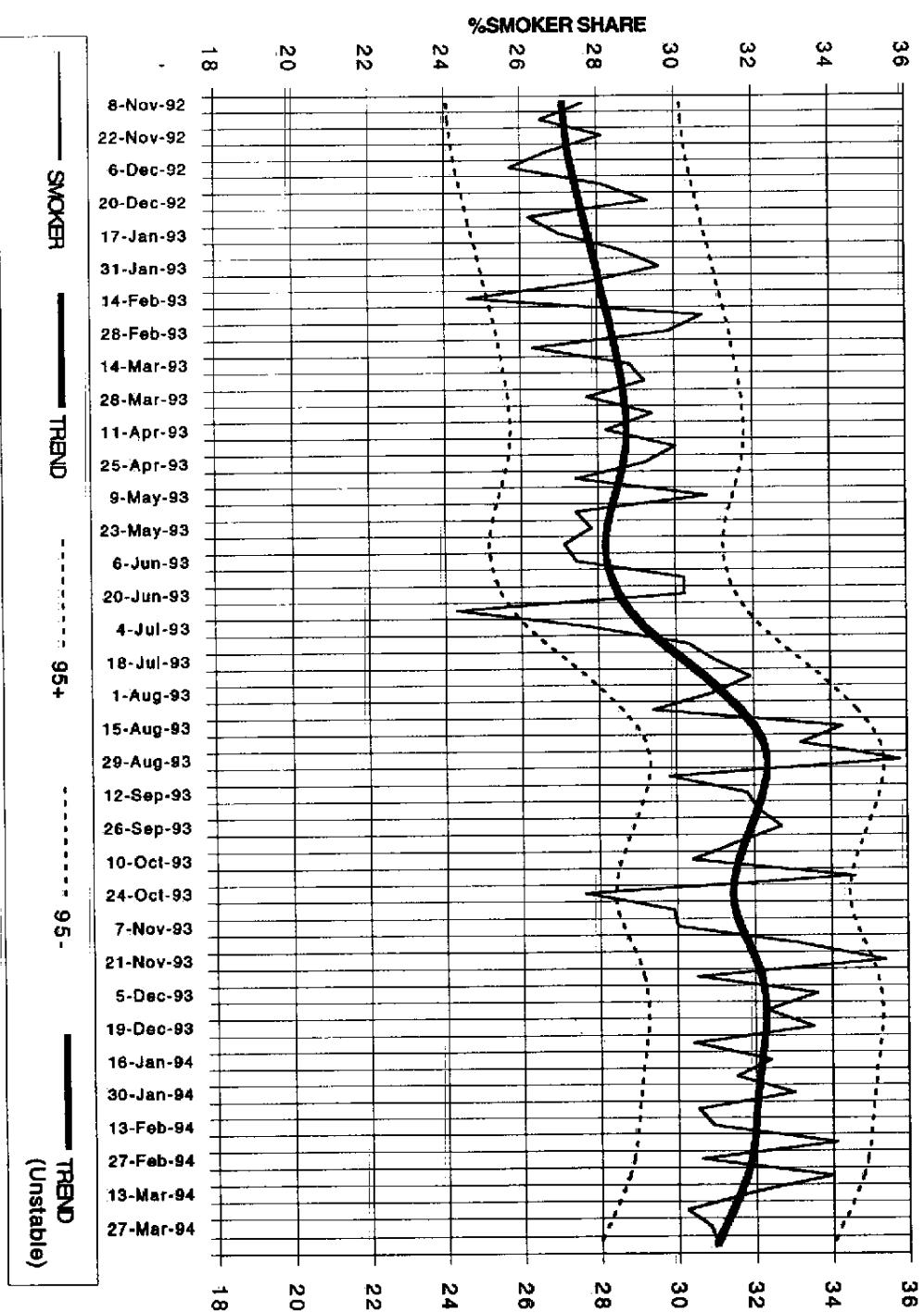
**SMOKER SHARE**

**MARLBORO SMOKER SHARE/MAT**

- Marlboro's total smoker and volumetric share trends remain consistent with stable retail performance.
  - Both measures indicate near record share levels for Marlboro.
- Marlboro young adult smoker share trends continue to strengthen. Volumetric share trends are beginning to stabilize.

**2023656296**

# MARLBORO SMOKER SHARE (AMONG TOTAL SMOKERS)



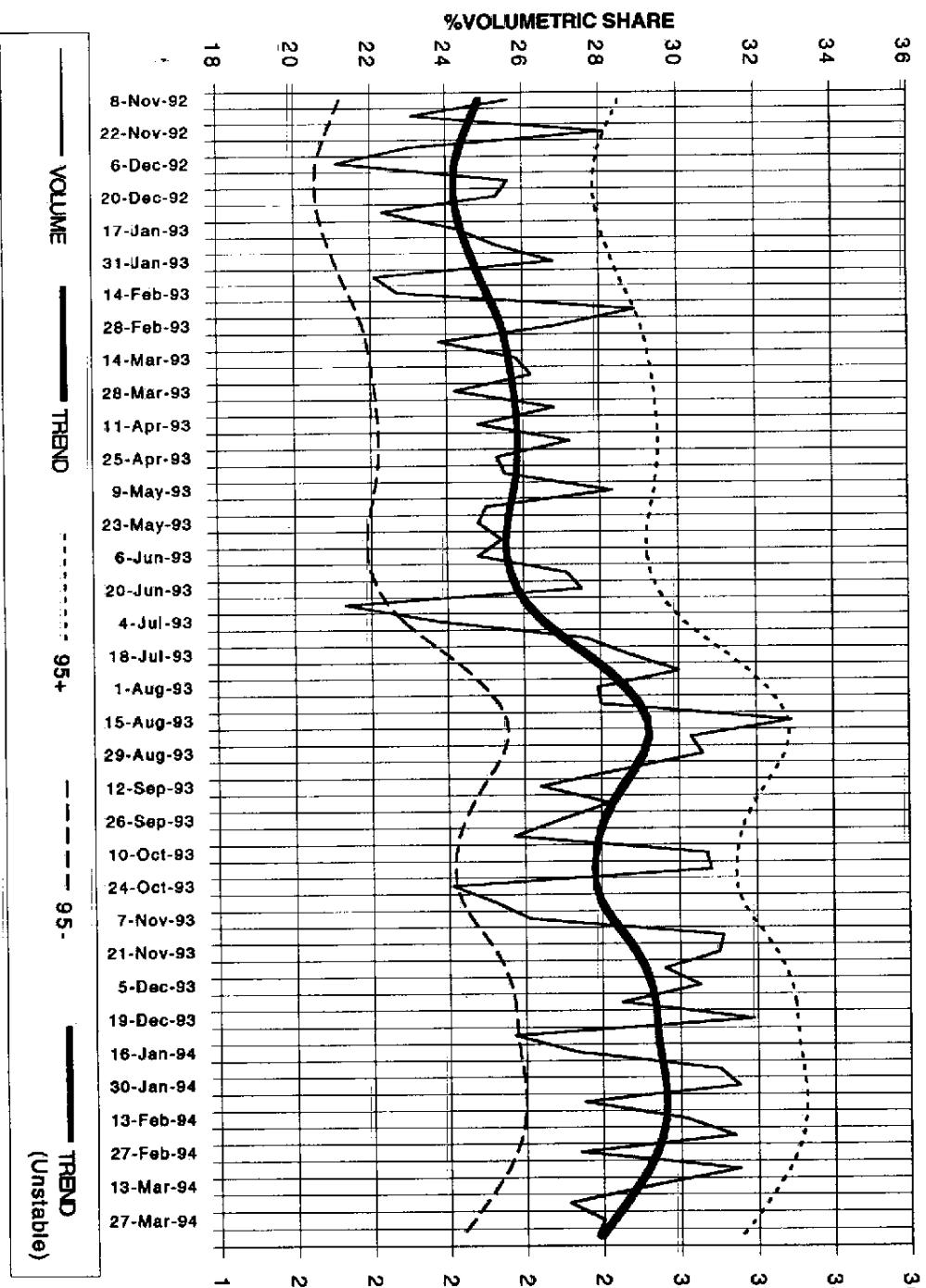
2023556297

SOURCE: SMOKER TRACKING STUDY - WEEKLY

\*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

W-SMOKE-3

# MARLBORO VOLUMETRIC SHARE (AMONG TOTAL SMOKERS)



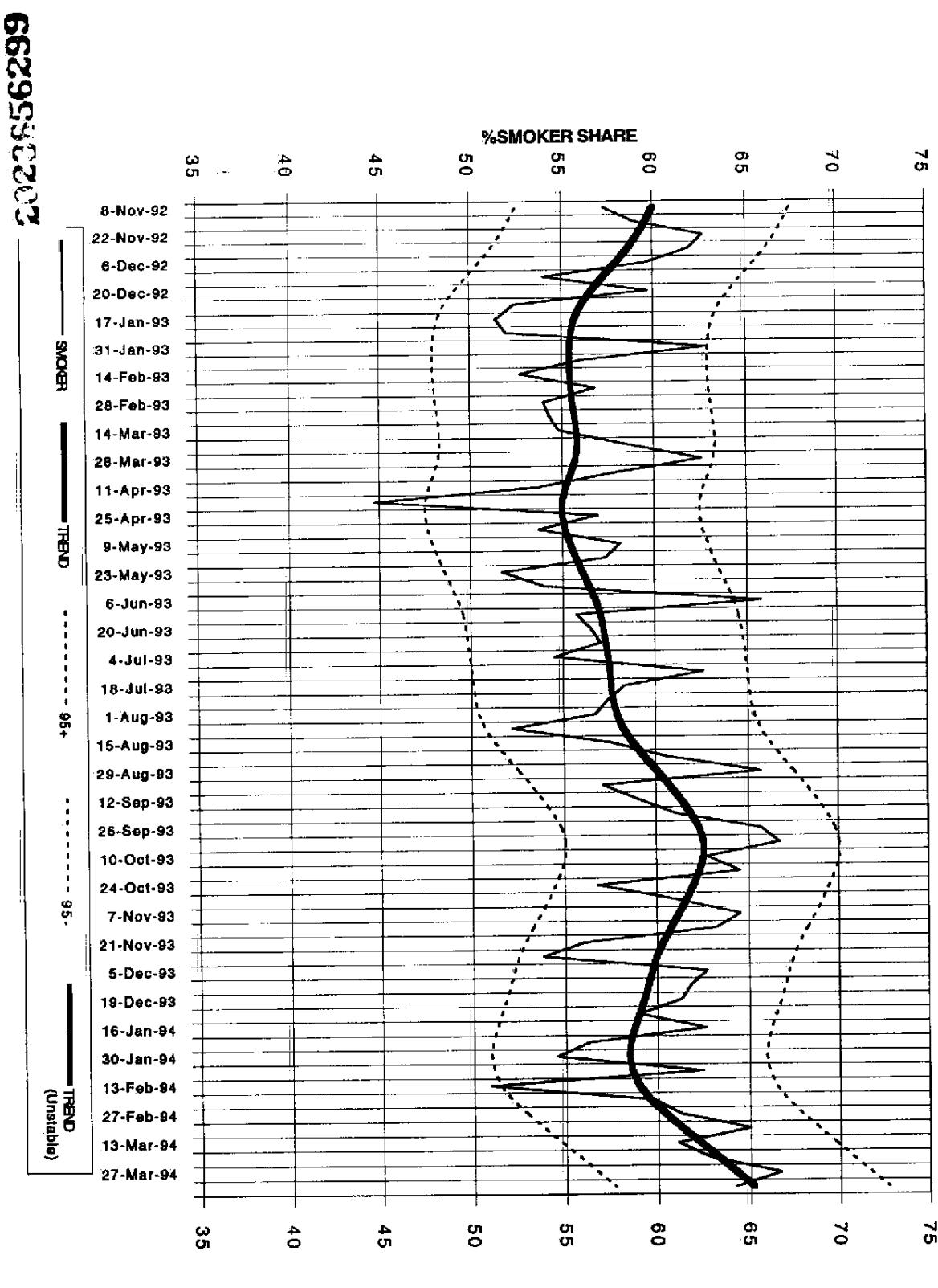
023556298

SOURCE: VOLUMETRICS - WEEKLY

\*MARCH AND APRIL REPRESENT TOP LINE DATA

W.VOL.1

# MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)

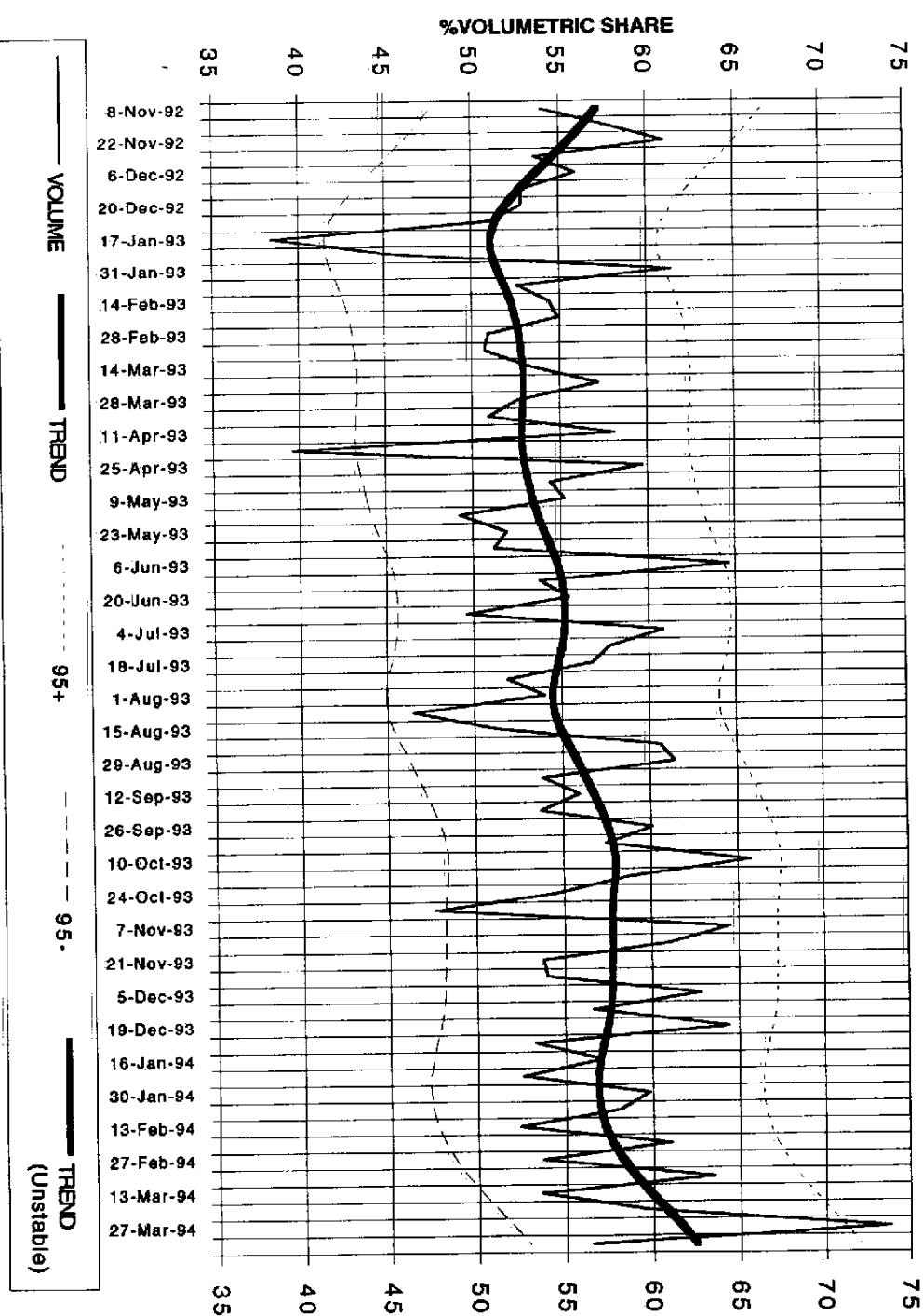


SOURCE: SMOKER TRACKING STUDY - WEEKLY

MARCH AND APRIL '94 REPRESENTS TOP LINE DATA

- W. SMOK. 1824.4

# MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



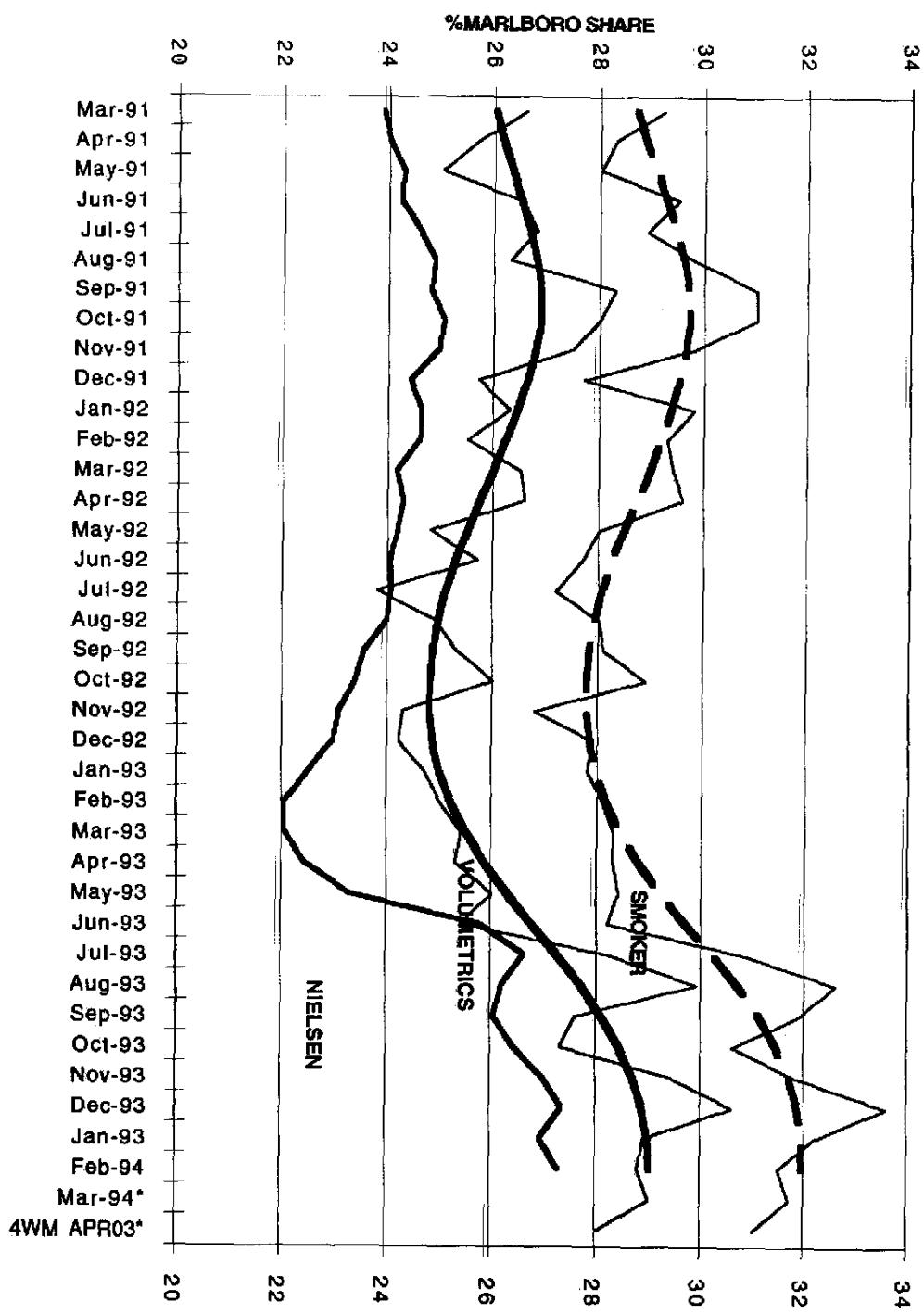
0039553003

SOURCE: VOLUMETRICS-WEEKLY

MARCH AND APRIL '94 REPRESENT TOP LINE DATA

W.VOL.1824.2

**MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG TOTAL SMOKERS)  
CONTINUE TO INCREASE.**

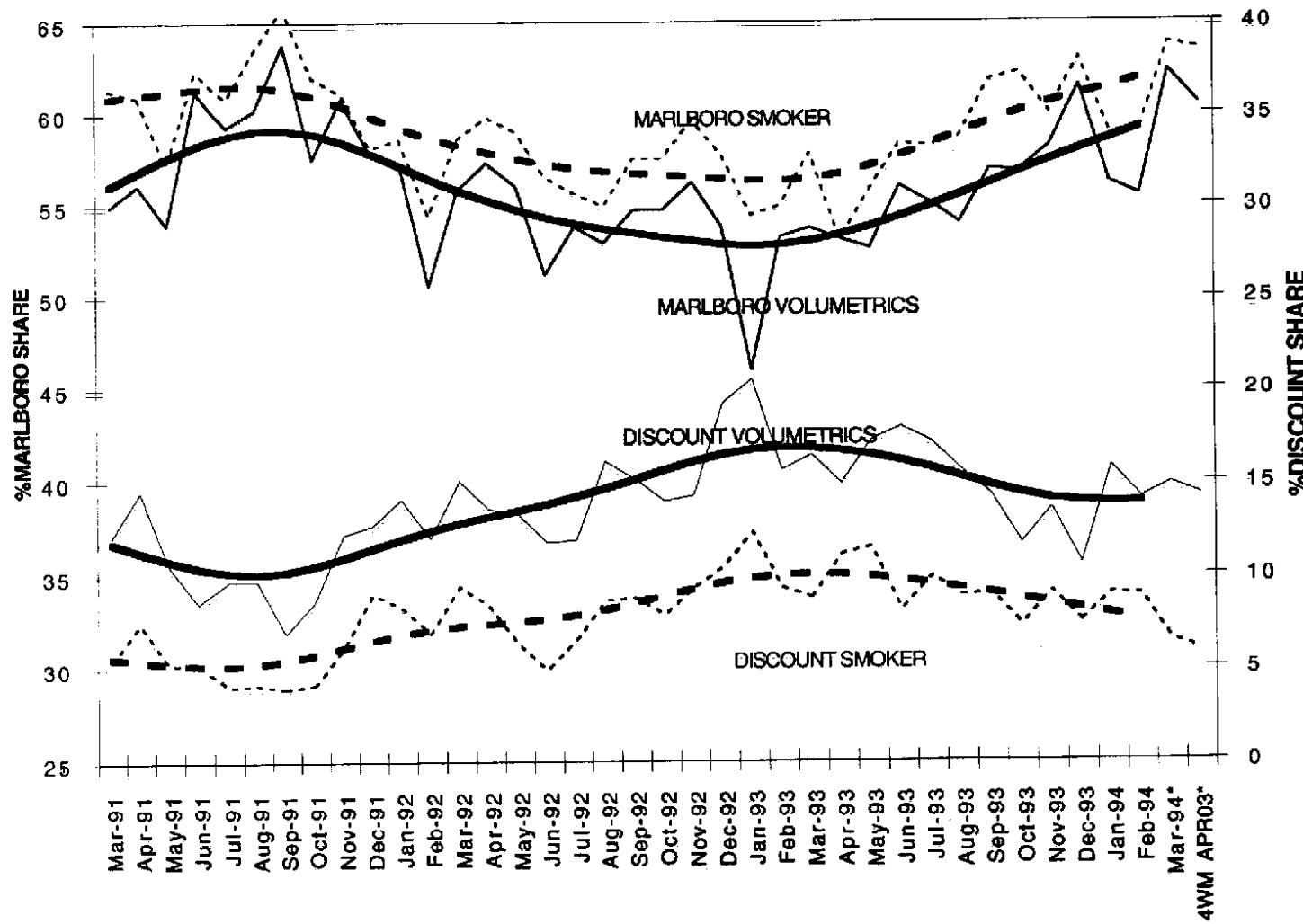


SOURCE: CONTINUOUS TRACKING STUDY, NIELSEN - MONTHLY

\*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

102956301

**MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG 18-24 SMOKERS)  
CONTINUE TO INCREASE.**



2023656302

SOURCE: CONTINUOUS SMOKER TRACKING STUDY - 1MM

\*MARCH AND APRIL '94 DATA IS TOP LINE

W.MARLB.1824.7